

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

IN RE PHARMACEUTICAL INDUSTRY
AVERAGE WHOLESALE PRICE LITIGATION

MDL No. 1456

THIS DOCUMENT RELATES TO:

CIVIL ACTION: 01-CV-12257-PBS

State of Arizona v. Abbott Labs Inc., et al.,
06-CV-11069-PBS

Judge Patti B. Saris

FIRST AMENDED COMPLAINT

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TABLE OF CONTENTS

	<u>PAGE</u>
I. THE NATURE OF THIS ACTION	1
A. The Defendants' Unlawful Scheme	1
B. The Damages Caused by Defendants' Illegal Conduct	5
C. The Objectives of This Action.....	5
II. JURISDICTION AND VENUE	6
III. PLAINTIFFS	6
IV. DEFENDANTS	6
1. Abbott	6
2. Amgen.....	7
3. AstraZeneca	7
4. The Aventis Group (Aventis, Pharma and Behring).....	8
5. Baxter.....	9
6. Bayer.....	10
7. Biogen IDEC Inc.....	10
8. The Boehringer Group (Boehringer, Ben Venue and Roxane).....	10
9. B. Braun	12
10. The BMS Group (Bristol-Myers Squibb, OTN and Apothecan).....	12
11. Dey, Inc.....	14
12. The Fujisawa Group (Fujisawa Healthcare and Fujisawa USA)	14
13. Immunex	15
14. The Johnson & Johnson Group (J&J, Centocor, Janssen, McNeil and Ortho)	15
15. Merck & Co., Inc.	17
16. The Pharmacia Group (Pharmacia and Pharmacia & Upjohn).....	17

1	17.	The Schering-Plough Group (Schering-Plough and Warrick).....	18
2	18.	The Sicor Group (Sicor and Gensia).....	19
3	19.	Watson	20
4	V.	CO-CONSPIRATORS AND DOE DEFENDANTS.....	20
5	VI.	THE MEDICARE INSURANCE PROGRAM	22
6	A.	Rising Drug Costs and Increasing Use of Drugs by Seniors	22
7	B.	The AWP System.....	24
8	C.	The Defendant Drug Manufacturers Commit AWP Fraud to Increase Market Share For Their Drugs Covered by Medicare Part B	25
9	1.	The Medicare Insurance Program.....	25
10	2.	Congressional and Other Federal Investigations and Actions	29
11	3.	Certain of the Defendants Drug Manufacturers' Fraudulent Conduct Within the Medicare Part B Program	30
12	a.	Artificially Inflating AWP.....	30
13	b.	Other Hidden and Improper Inducements and Price Reductions.....	31
14	D.	The Defendant Drug Manufacturers' Use of AWP Fraud to Increase and Maintain the Price of Drugs Outside of the Medicare Part B Context	32
15	E.	The Defendant Drug Manufacturers' Use of AWP Fraud to Increase and Maintain Volume and Market Share for Generic and Multi-Source Drugs.....	34
16	F.	Defendants' Concealment of the Truth.....	39
17	VII.	EXAMPLES OF SPECIFIC UNLAWFUL CONDUCT	40
18	A.	Abbott	40
19	1.	Abbott Has Been The Target of Government Investigations.....	42
20	2.	Abbott Controls the Published AWP for Its Products	43
21	3.	Abbott's AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors.....	43
22	4.	Specific Abbott AWPs Documented by the DOJ	44
23	5.	Additional Evidence Concerning Vancomycin	45

1	6.	Additional Evidence for Amikacin	46
2	7.	Inflated AWP's From Abbott Price Lists	46
3	B.	Amgen	64
4	1.	The Drugs at Issue and Their Competitive Environment	64
5	2.	Amgen's Definition and Understanding of AWP	67
6	3.	Amgen Controls the Published AWP for Its Products	67
7	4.	Amgen Understands the Importance of Reimbursement Rates	67
8	5.	Specific Examples of AWP Abuse	69
9	6.	Amgen Rebates on Epogen	72
10	7.	Amgen Concealed Its AWP Manipulation	73
11	C.	AstraZeneca	74
12	1.	AstraZeneca Has Been the Target of a Government Investigation	74
13	2.	AstraZeneca's Definition and Understanding of AWP	75
14	3.	AstraZeneca Controls the Published AWP for Its Products	75
15	4.	AstraZeneca's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors	75
16	5.	AstraZeneca Manipulated and Marketed the AWP for Zoladex	76
17	D.	The Aventis Group (Aventis, Pharma and Behring)	78
18	1.	Aventis Has Been the Target of Government Investigations	80
19	2.	Aventis' Definition and Understanding of AWP	80
20	3.	Aventis Controls the Published AWP for Its Products	80
21	4.	Aventis' AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors	80
22	5.	Specific Aventis AWP's Documented by the DOJ	81
23	6.	Additional Evidence Concerning Anzemet	81
24	7.	Additional Evidence Concerning Gammar	82
25	8.	Inflated AWP's From Aventis' Price Lists	83

1	9.	Aventis Concealed its AWP Manipulation	83
2	10.	An Example of Damages to a Consumer Due to the Spread	83
3	E.	Baxter	84
4	1.	Baxter Has Been the Target of Government Investigations	86
5	2.	Baxter's Definition and Understanding of AWP	86
6	3.	Baxter Controls the Published AWP for its Products	86
7	4.	Baxter's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors	86
8	5.	Specific Baxter AWP's Documented by the DOJ	87
9	6.	Evidence Concerning Gammagard S/D (immune globulin solution)	87
10	7.	Inflated AWP's From Baxter's Price Lists	88
11	8.	Baxter Provided Free Goods and Other Incentives	89
12	9.	Further Evidence of Baxter's Spread Activities	90
13	F.	Bayer	90
14	1.	Bayer Has Been the Target of Government Investigations	90
15	2.	Bayer Controls the Published AWP for Its Products	91
16	3.	Bayer's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors	92
17	4.	Specific Bayer AWP's Documented by the DOJ	92
18	5.	Inflated AWP's From Bayer's Price Lists	93
19	6.	Bayer Provided Free Goods and Other Incentives	96
20	7.	Bayer Concealed Its AWP Manipulation	97
21	G.	Biogen	97
22	1.	Example of the use of AWP manipulation	97
23	H.	The Boehringer Group (Boehringer, Ben Venue and Roxane)	98
24	1.	The Boehringer Group Has Been the Target of Government Investigations	99
25			
26			

1	2.	The Boehringer Group Controls the Published AWP for Its Products.....	99
2			
3	3.	Specific Boehringer AWP's Documented by the DOJ	100
4	4.	Inflated Boehringer Group AWP's From Bedford's Price Lists.....	100
5	5.	Other Acts of AWP Manipulation	104
6	I.	B. Braun	105
7	1.	B. Braun Has Been the Target of Government Investigations.....	105
8	2.	B. Braun Controls the Published AWP for Its Products	106
9	3.	B. Braun's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors	106
10	4.	Specific B. Braun AWP's Documented by the DOJ	106
11	5.	Inflated AWP's From B. Braun Price Lists.....	107
12	J.	The BMS Group (Bristol-Myers Squibb, OTN and Apothecon).....	107
13	1.	The BMS Group Has Been the Target of Government Investigations	108
14	2.	The BMS Group Controls the Published AWP for Its Products.....	109
15	3.	BMS's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors.....	110
16	4.	Specific BMS AWP's Documented by the DOJ	111
17	5.	Other AWP's Related to Vepesid (etoposide).....	111
18	6.	Other Evidence of Marketing the Spread.....	112
19	7.	Other AWP's Related to Blenoxane.....	113
20	8.	The BMS Group Provided Free Goods and Other Incentives	113
21	9.	BMS and Injectable Drugs.....	115
22	10.	BMS and Brand-Name Drugs.....	116
23	K.	Dey	116
24	1.	Dey Has Been the Target of Government Investigations	116
25	2.	Dey Controls the Published AWP for Its Products.....	118
26			

1	3.	Dey's AWP Manipulation Benefited Providers at the Expense	
2		of Co-Payors and Payors.....	118
3	4.	Specific Dey AWP's Documented by the DOJ.....	119
4	5.	Inflated Dey AWP's From Dey's Price Lists.....	120
5	6.	Dey Provided Free Goods and Other Incentives.....	122
6	7.	Dey Has Concealed Its AWP Manipulation	122
7	L.	The Fujisawa Group (Fujisawa Pharmaceutical, Fujisawa Healthcare,	
8		and Fujisawa USA).....	123
9	1.	Fujisawa Has Been the Target of Government Investigations.....	124
10	2.	Fujisawa Controls the Published AWP for Its Products	124
11	3.	Fujisawa's AWP Manipulation Benefited Providers at the	
12		Expense of Co-Payors and Payors	124
13	4.	Specific Fujisawa AWP's Documented by the DOJ.....	125
14	5.	Inflated AWP's From Fujisawa Price Lists.....	125
15	M.	Immunex	127
16	1.	Immunex Has Been the Target of Government Investigations.....	127
17	2.	Immunex Definition and Understanding of AWP	127
18	3.	Immunex Controls the Published AWP for its Products	128
19	4.	Immunex's AWP Manipulation Benefited Providers at the	
20		Expense of Co-Payors and Payors	128
21	5.	Specific Immunex AWP's Documented by the DOJ.....	129
22	6.	Inflated AWP's From Immunex Price Lists.....	130
23	7.	Immunex Concealed Its AWP Manipulation.....	132
24	N.	The Johnson & Johnson Group (J&J, Janssen, McNeil, Centocor and	
25		Ortho).....	132
26	1.	The J&J Group Has Been the Target of Government Investigations	133
	2.	J&J Concealed Its AWP Manipulation	135
	O.	Merck	135

1	1.	The Zocor SAVE Program.....	135
2	2.	The Vioxx VIP Program	137
3	P.	The Pharmacia Group (Pharmacia and P&U).....	138
4	1.	The Pharmacia Group Has Been the Target of Government Investigations	139
5	2.	Pharmacia's Definition and Understanding of AWP.....	139
6	3.	The Pharmacia Group Controls the Published AWP for Its Products.....	139
7	4.	The Pharmacia Group's AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors	139
8	5.	Specific Pharmacia AWP's Documented by the DOJ	143
9	6.	Inflated Pharmacia AWP's From Pharmacia's Price Lists	144
10	7.	The Pharmacia Group Provided Free Goods and Other Incentives	155
11	Q.	The Schering-Plough Group (Schering-Plough and Warrick).....	156
12	1.	The Schering-Plough Group Has Been the Target of Government Investigations	157
13	2.	The Schering-Plough Group Controls the Published AWP for Its Products.....	158
14	3.	The Schering-Plough Group's AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors	158
15	4.	The DOJ Specifically Documented AWP Inflation for Albuterol Sulfate	160
16	5.	Other Examples of AWP Manipulation.....	161
17	6.	The Schering-Plough Group Provided Free Goods and Other Incentives	163
18	R.	The Sicor Group (Sicor, Gensia and Gensia-Sicor).....	165
19	1.	The Sicor Group Has Been the Target of Government Investigations	165
20	2.	The Sicor Group Controls the Published AWP for Its Products.....	165
21	3.	The Sicor Group's AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors	166
22			
23			
24			
25			
26			

1	4.	Specific Sicor Group AWP Documented by the DOJ.....	168
2	5.	Inflated Sicor Group AWP From the Sicor Group’s Price Lists.....	168
3	6.	The Sicor Group Provided Free Goods and Other Incentives	170
4	S.	TAP	170
5	1.	TAP Has Been the Target of Government Investigations	171
6	2.	TAP Controls the Published AWP for Its Products	172
7	3.	TAP’s AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors.....	172
8	4.	TAP Provided Free Goods and Other Incentives.....	173
9	5.	TAP Concealed Its AWP Manipulation.....	174
10	T.	Warrick	175
11	U.	Watson	175
12	1.	Watson Has Been the Target of Government Investigations.....	177
13	2.	Watson’s Definition and Understanding of AWP	177
14	3.	Watson Controls the Published AWP for Its Products	177
15	4.	Watson’s AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors.....	177
16	5.	Specific Watson AWP Documented by the DOJ	178
17	6.	Inflated Watson AWP From Watson’s Price Lists.....	178
18	7.	Watson Provided Free Goods and Other Incentives	179
19	8.	Watson Concealed Its AWP Manipulation	180
20	VIII.	DIRECT DAMAGE SUSTAINED BY CO-PAYORS AND PAYORS.....	180
21	IX.	CLAIMS FOR RELIEF	182
22			
23			
24			
25			
26			

1 The State of Arizona, by its Attorney General, Terry Goddard, for its Amended
2 Complaint, alleges upon information and belief, as follows:

3 I. THE NATURE OF THIS ACTION

4 1. This is an action for damages, civil penalties, declaratory and injunctive relief,
5 restitution, and disgorgement of profits on behalf of persons and entities in Arizona including
6 thousands of Patients¹ who have paid inflated charges for medications based in whole or in part
7 on Defendants' use of the Average Wholesale Price ("AWP") Scheme, as described below.

8 2. Each of the Defendants is or has been engaged in the business of manufacturing,
9 marketing and selling prescription pharmaceuticals throughout the State of Arizona. The
10 principal payors for such prescription pharmaceuticals are the federal government (under the
11 "Medicare" Program), private insurers and self-insured employers ("Third-Party Payors"), and
12 private individuals ("Patients"), including elderly patients who make payments for drugs under
13 the Medicare Program.

14 A. The Defendants' Unlawful Scheme

15 3. The standard practice in the pharmaceutical industry is that the federal Medicare
16 Program, state Medicaid agencies, Third-Party Payors, and certain Patients reimburse physicians
17 and pharmacies for hundreds of prescription drugs based upon the AWP, as published and
18 reported by third-party publications such as *First DataBank*, *Red Book*, *Blue Book*, or *Medi-*
19 *Span*.

20 4. The AWP is generally not independently determined by the *First DataBank* or
21 other third-party reporting agencies. Rather, as part of the AWP Scheme described in this
22 Amended Complaint, pharmaceutical companies send either the AWP itself to third-party
23 publications (such as *First DataBank*), which then publish the purported AWP, as provided to
24

25 ¹ As used herein, Patients refers to two groups of persons as follows: (1) Persons who were prescribed drugs
26 manufactured by any Defendants which were subject to Defendants' Average Wholesale Price Scheme as alleged
herein and who paid for such drugs out-of-pocket, (2) Persons who were prescribed such drugs and incurred an
obligation for co-payment (or actually made co-payments) under either a government or private insurance program
where the amount of co-payment was based on the Average Wholesale Price Scheme described herein; and
(3) entities that paid for such drugs.

1 them by the pharmaceutical manufacturers, or they send information which they know is used by
2 the publishers to set AWP.

3 5. Pursuant to federal regulation and industry and State practice, reimbursement for
4 prescription drugs is based primarily upon the reported AWP, and this is true for both Medicare
5 and Medicaid reimbursement. Pursuant to industry practice, AWP is the reimbursement
6 benchmark for the vast bulk of drugs paid for in the private sector as well.

7 6. As an extensive and ongoing Congressional investigation has confirmed,
8 numerous pharmaceutical manufacturers (including each of the Defendants named herein as well
9 as others not yet named herein) have engaged in a scheme involving the fraudulent reporting of
10 fictitious AWP's for certain prescription pharmaceuticals, including but not limited to
11 prescription pharmaceuticals covered by Medicare and Medicaid.

12 7. For the last decade, the Defendant Drug Manufacturers have conspired with
13 others in the pharmaceutical distribution chain, including but not limited to physicians and
14 hospitals (hereafter "medical providers" or "providers"), pharmacy benefit managers ("PBMs")
15 and various publishing entities, to collect inflated prescription drug payments from co-payors
16 and payors.

17 8. More specifically, the Defendant Drug Manufacturers report to trade publications
18 a drug price – the Average Wholesale Price (or "AWP") – that for certain drugs is deliberately
19 set far above the prices that these drugs are available in the marketplace. The AWP's for these
20 drugs are deliberately false and fictitious and created solely to create market share for the
21 Defendants and increased profits for those that can pocket the spread.

22 9. For drugs reimbursed by Medicare Part B (which generally, but not always,
23 require administration in a provider's office), the health care providers administer the drugs and
24 are reimbursed by Medicare based on the inflated AWP. Thus, the providers benefit by
25 pocketing the "spread" between the AWP and the actual cost that they pay for the drugs, and the
26 Defendant Drug Manufacturers benefit by increasing the sales of their drugs that are covered by

1 Medicare Part B (“Covered Drugs”) and by increasing their market share. In some cases, the
2 Defendant Drug Manufacturers also provide chargebacks, rebates, hidden price discounts and/or
3 other unlawful financial inducements, including free samples, to further increase the provider’s
4 spread and, therefore, their incentive to prescribe a particular Defendant Drug Manufacturer’s
5 product. Those discounts are not used by the Defendant Drug Manufacturers in calculating the
6 published AWP, resulting in their inflation.

7 10. Although the federal government pays for Part B drugs, 20% of each payment is a
8 co-pay. Co-pays are paid by Arizona’s seniors and/or Third-Party Payors. Thus, any inflation of
9 AWP directly harms co-payors.

10 11. The use of AWP is not limited to Medicare reimbursement. Rather, AWP is a
11 benchmark from which hundreds of drug prices are derived in transactions throughout the
12 pharmaceutical distribution chain. For physician-administered drugs outside of the Medicare
13 Part B context, the majority of Patients and health plans pay for these drugs based on the inflated
14 AWP with an intermediary (the physician who administered the drug) pocketing the “spread”
15 between the AWP and the actual cost. And similar to the benefit that the Defendant Drug
16 Manufacturers obtain through the AWP Scheme for Part B drugs, the Defendant Drug
17 Manufacturers also benefit from the AWP Scheme with respect to these drugs by increasing the
18 sales of their particular AWP-inflated drugs and their market share for those drugs.

19 12. The use of AWP as a benchmark for reimbursement is also not limited to Part B
20 drugs being administered outside of Medicare, but extends to hundreds of other drugs as well
21 that are self-administered. And again, with respect to these non-Part B drugs, it is the end payor,
22 be it a health plan or private insurer, or a consumer making a co-pay, that pays the inflated
23 amount. All others in the distribution chain, be they retailers, pharmacies or pharmacy benefit
24 managers, benefit from the spread between AWP and actual costs.

25 13. Virtually all self-administered drugs are reimbursed based on AWP with some
26 discount, typically AWP-15%. Health care companies, insurers and other Third-Party Payors,

1 use AWP because it is viewed as a legitimate price signal that reflects a reasonable relationship
2 to actual cost. Defendants were aware that the market expected AWP to have a reasonable
3 relationship to acquisition cost. As a result, AWP-15% continued to be the typical
4 reimbursement benchmark on brand-name drugs and AWP-40% to 60% on generics. Had real
5 AWP's been published, this would not have been the case. In fact, as described below, in certain
6 situations, Defendants to gain market share offer secret discounts off AWP of 50% to 300% on
7 brand-name drugs and 200% to 15,000% on generic drugs.

8 14. Thus, in a perversion of the type of competitive behavior expected in a market not
9 subject to illegal manipulation, the Defendant Drug Manufacturers often promote their drugs not
10 based on lower prices, but by the use of reimbursement rates based on a fictitious and inflated
11 AWP that allows physicians, retailers and PBMs to make inflated profits – and the Defendant
12 Drug Manufacturers to increase their market share – at the expense of all those whose payments
13 are based on AWP.

14 15. The Defendant Drug Manufacturers also caution providers and other
15 intermediaries that the success of the high profit scheme will be jeopardized if anyone discloses
16 the significantly lower prices actually paid for the drugs (allowing the scheme to be concealed
17 and to continue). All Defendants actively conceal, and caused others to conceal, information
18 about the true pricing structure for the prescription drugs, including the fact that the AWP's for
19 the drugs are deliberately overstated. And, all those in the distribution chain also conceal the
20 rebates, free samples, educational grants and other economic rewards, which they receive, but
21 which are not reflected in calculating AWP.

22 16. As a result of the fraudulent and illegal manipulation of AWP for certain drugs,
23 the Defendants' pharmaceutical manufacturers have reaped tens of millions of dollars in illegal
24 profits at the expense of payors and consumers, including but not limited to Patients who are
25 residents of the State of Arizona and who make co-payments based on inflated AWP's. In
26

1 particular, elderly Medicare participants bear a disproportionate burden of this scheme as they
2 make payments or co-payments based on the fictitious AWP charges.

3 **B. The Damages Caused by Defendants' Illegal Conduct**

4 17. One intended and foreseeable effect of the Defendants' AWP Scheme is that
5 many Arizona residents have suffered losses.

6 **C. The Objectives of This Action**

7 18. Arizona consumers, who make co-payments for drugs based upon these inflated
8 AWP prices, suffered damages. The elderly, who make co-payments as part of Medicare, and
9 who generally use more prescription drugs than others, have been particularly adversely
10 impacted by Defendants' conduct.

11 19. The State of Arizona has a substantial interest in the health and economic welfare
12 of its citizens. The skyrocketing cost of prescription drugs, driven in part by Defendants' illegal
13 AWP Scheme as outlined herein, has rendered certain prescription drugs unaffordable to some
14 Arizonans and has harmed the health and economic welfare of nearly all Arizonans at risk.

15 20. In this action, the Attorney General seeks to secure for the people of the State of
16 Arizona a fair and open market, free from unfair or deceptive acts or practices, for all
17 pharmaceuticals and to enable Patients in this State to better shoulder the financial burden of
18 necessary medications.

19 21. Arizona consumers have been the intended victims of Defendants' unlawful AWP
20 Scheme. The Attorney General brings this action to return to its resident Patients the increased
21 medication costs caused by Defendants' wrongful conduct, to disgorge Defendants' excessive
22 profits from the artificially inflated AWP Scheme accomplished through violations of state law,
23 and to enjoin further violations of law by Defendants. The Attorney General seeks civil penalties
24 of \$10,000 for each violation of A.R.S. § 44-1531.
25
26

II. JURISDICTION AND VENUE

22. This Amended Complaint is filed and these proceedings are instituted under the provisions of the Arizona Consumer Protection Act, A.R.S. § 44-1521, *et seq.*, and Arizona's Racketeering Statute, A.R.S. § 13-2301, *et seq.*

23. Authority for the Attorney General to commence this action for injunctive relief, damages, restitution, disgorgement, civil penalties, attorneys' fees, and such other relief as the Court deems proper, is conferred by, *inter alia*, A.R.S. §§ 41-193(A)(1), 44-1528, 44-1531, 41-191(E) and 13-2314(A).

24. The violations alleged herein have been and are being committed in whole or in part, and affect commerce in Maricopa County and elsewhere throughout the State of Arizona. Each of the Defendants named herein do business in Maricopa County and elsewhere throughout the State of Arizona.

III. PLAINTIFFS

25. The Attorney General is the chief law enforcement officer and attorney for the State of Arizona.

IV. DEFENDANTS

1. Abbott

26. Defendant Abbott Laboratories ("Abbott") is an Illinois corporation with its principal place of business at 100 Abbott Park Road, Abbott Park, Illinois. Abbott is a diversified health care company that discovers, develops, manufactures, and markets health care products and pharmaceuticals. Abbott's principal businesses are global pharmaceuticals, nutritionals, and medical products. Abbott reported revenues for the year 2000 of approximately \$13.7 billion and net earnings of \$2.8 billion.

27. Abbott, one of the world's largest pharmaceutical companies, is in the business of manufacturing prescription medications for clinical distribution by Medicare Plan B providers nationwide. The drugs manufactured by Abbott and covered by Medicare Part B include, but

1 may not be limited to: acetylcysteine, acyclovir, amikacin sulfate, calcitriol, cimetidine
 2 hydrochloride, clindamycin phosphate, dextrose, dextrose sodium chloride, diazepam,
 3 furosemide, gentamicin sulfate, heparin lock flush, metholprednisolone sodium succinate,
 4 sodium chloride, tobramycin sulfate, vancomycin, and zemplar.

5 **2. Amgen**

6 28. Defendant Amgen Inc. (“Amgen”) is a Delaware corporation with its principal
 7 place of business at One Amgen Drive, Thousand Oaks, California. Amgen is a biotechnology
 8 corporation that focuses its research and development efforts on drugs related to nephrology,
 9 cancer, inflammation, neurology and metabolism. In 2000, Amgen’s revenues exceeded
 10 \$3.6 billion.

11 29. Amgen is in the business of manufacturing and distributing prescription
 12 pharmaceuticals for distribution by Medicare Plan B providers nationwide. Pharmaceuticals that
 13 are manufactured by Amgen and covered by Medicare Part B include, but may not be limited to:
 14 Epogen® (epoetin alfa) and Neupogen® (filgrastim).

15 **3. AstraZeneca**

16 30. Defendant Zeneca, Inc. (“Zeneca”) is a Delaware corporation with its principal
 17 place of business at Malvern, Pennsylvania. Zeneca is a wholly owned subsidiary of
 18 AstraZeneca Group, PLC, a limited liability company domiciled in the United Kingdom.

19 31. Defendant AstraZeneca Pharmaceuticals L.P. is a Delaware corporation, with its
 20 principal place of business located at 1800 Concord Pike, Wilmington, Delaware.

21 32. Zeneca, Inc., and AstraZeneca Pharmaceuticals L.P. are collectively referred to as
 22 “AstraZeneca.”

23 33. AstraZeneca maintains research and development and manufacturing facilities
 24 worldwide, including in the United States. AstraZeneca reported annual sales of \$18.8 billion in
 25 2003, with an operating profit of \$4.2 billion.
 26

34. AstraZeneca manufactures and markets several drugs covered by Medicare Part B including, but may not be limited to: Zoladex® (goserilin acetate implant), Nolvadex® (tamoxifen citrate), Tomudex® (raltitrexed), and Diprivan® (propofol). AstraZeneca also manufactures some of the world's largest selling drugs, including Prilosec, Nexium and Zestril.

4. The Aventis Group (Aventis, Pharma and Behring)

35. Defendant Aventis Pharmaceuticals, Inc. ("Pharma") is a Delaware corporation with its principal place of business located at 300-400 Somerset Corporate Blvd., Bridgewater, New Jersey. Pharma is a wholly owned subsidiary of Aventis, S.A., a company domiciled in France. Pharma is comprised of the United States commercial operations of predecessor companies Rhone-Poulenc Rorer, S.A. and Hoechst Marion Roussel, Inc.. Prior to its acquisition by Pharma, Hoechst Marion Roussel, Inc. was a Delaware corporation with its principal place of business located at 10236 Marion Park Drive, Kansas City, Missouri.

36. Pharma's principal business activities are the discovery, development, manufacture and sale of prescription pharmaceuticals in the areas of cardiology, oncology, infectious diseases, arthritis, allergies and respiratory disorders, diabetes and central nervous system disorders. Pharma reported United States net sales of approximately \$5.8 billion in 2001.

37. Defendant Aventis Behring L.L.C. ("Behring"), located at 1020 First Avenue, King of Prussia, Pennsylvania, formerly did business as Centeon L.L.C., a 50/50 joint venture between Hoechst and Rhone-Poulenc Rorer, S.A. When Centeon L.L.C.'s parent companies merged to create Aventis in 1996, Behring became its wholly-owned subsidiary.

38. Behring is the plasma protein business of Pharma, producing a line of therapies including coagulation therapies for the treatment of hemophilia, wound healing agents used during major surgical procedures, inhibitor treatments that inhibit the formation of blood clots, immunoglobulins for the prevention and treatment of immune disorders, and plasma expanders for the treatment of a variety of conditions such as shock, burns and circulatory disorders. In 2000, Behring held assets estimated at \$1.5 billion.

39. The drugs manufactured by Pharma, Hoechst and Behring (collectively referred to as the “Aventis Group”) and covered by Medicare Part B include, but may not be limited to: Anzemet® (dolasteron mesylate), Bioclone® (antihemo factor viii), Gammar® (immune globulin), Helixate® (antihemo factor viii), Humate-P® (antihemo factor viii), Mononine® (antihemo factor ix complex), Monoclate-P® (antihemo factor viii), and Taxotere® (docetaxel).

5. Baxter

40. Defendant Baxter International Inc. (“Baxter”) is a Delaware corporation with its principal place of business at One Baxter Parkway, Deerfield, Illinois. Baxter manufactures and distributes prescription drugs to clinical administrators. Baxter’s annual sales from January 1, 2000 through December 31, 2000 were over \$6.8 billion.

41. Defendant Baxter Healthcare Corporation is the principal domestic operating subsidiary of Baxter International. Baxter International and Baxter Healthcare Corporation are collectively referred to as “Baxter.”

42. Baxter is a global medical products company that, *inter alia*, develops, manufactures, markets and/or distributes drugs to treat cancer, trauma, hemophilia, immune deficiencies, infectious diseases, kidney disease and other disorders. Baxter reported annual sales of \$6.9 billion in 2000.

43. The drugs developed, manufactured, marketed, sold and/or distributed by Baxter that are covered by Medicare Part B include, but may not be limited to: albumin, Bebulin® (factor ix complex), Buminat® (human albumin), dextrose, dextrose sodium chloride, Gammagard® (immune globulin), Iveegam® (immune globulin), Holoxan® (ifosfamide), Uromitexan® (mesna), Endoxan® (cyclophosphamide), Hemofil M® (antihemo factor viii), Proplex T® (factor ix complex), Recombinate® (antihemo factor viii), cisplatin, sodium chloride, and diazepam.

1 **6. Bayer**

2 44. Defendant Bayer Corporation (“Bayer”) is an Indiana corporation with its
3 principal place of business located at 100 Bayer Road, Pittsburgh, Pennsylvania. Bayer is a
4 wholly owned United States subsidiary of a German corporation, Bayer AG. Bayer’s
5 pharmaceutical division is located at 400 Morgan Lane, West Haven, Connecticut.

6 45. Bayer is a highly diversified health care company whose principal business
7 includes the development, manufacture, marketing, sale and/or distribution of healthcare
8 products and services, including pharmaceuticals. Bayer reported sales in the United States of
9 \$10.1 billion in 2001 and \$8.9 billion in 1999.

10 46. Bayer is in the business of manufacturing and distributing prescription
11 pharmaceuticals for distribution by Medicare Plan B providers nationwide. The pharmaceutical
12 drugs manufactured by Bayer and covered by Medicare Part B include, but may not be limited
13 to: Kogenate® (antihemo factor viii), FS/Kogenate® (antihemo factor viii), and Koate-DVI®
14 (antihemo factor viii) and Gamimune® (immune globulin), all used to treat hemophilia, and
15 Gamimune® which is used in the treatment of immunodeficiency and autoimmune disorders.

16 **7. Biogen IDEC Inc.**

17 47. Defendant Biogen IDEC Inc. (“Biogen”) corporation is a biotechnology company
18 incorporated under the laws of Delaware and headquartered at 14 Cambridge Center, Cambridge,
19 Massachusetts. Biogen is in the business of manufacturing drugs used in oncology, neurology
20 and rheumatology. Its drug Avonex is used in the treatment of multiple sclerosis and had sales
21 of over \$1 billion in 2002.

22 **8. The Boehringer Group (Boehringer, Ben Venue and Roxane)**

23 48. Defendant Boehringer Ingelheim Pharmaceuticals, Inc. (“Boehringer”) is a
24 Nevada corporation with its principal place of business located at 900 Ridgefield Road,
25 Ridgefield, Connecticut. On information and belief, Boehringer is a United States subsidiary of
26 Pharma Investment Ltd., of Burlington, Canada, which in turn is a division of C.H. Boehringer

1 Sohn Gurdstücksverwaltung GmbH & Co. KG of Ingelheim, Germany. Boehringer designs,
2 manufactures and markets pharmaceuticals. Boehringer is in the business of manufacturing and
3 distributing prescription pharmaceuticals for distribution by Medicare Plan B providers
4 nationwide.

5 49. Defendant Ben Venue Laboratories Inc. (“Ben Venue”) is a Delaware corporation
6 with its principal place of business located at 300 Northfield Road, Bedford, Ohio. On
7 information and belief, Ben Venue is a United States subsidiary of Pharma Investment Ltd., of
8 Burlington, Canada, which in turn is a division of C.H. Boehringer Sohn Gurdstücksverwaltung
9 GmbH & Co. KG of Ingelheim, Germany. Ben Venue is in the business of manufacturing and
10 distributing prescription pharmaceuticals for distribution by Medicare Plan B providers
11 nationwide.

12 50. Defendant Bedford Laboratories (“Bedford”) is a division of Ben Venue with its
13 principal place of business located at 300 Northfield Road, Bedford, Ohio. Bedford
14 manufactures and markets injectable pharmaceuticals. Bedford is in the business of
15 manufacturing and distributing prescription pharmaceuticals for distribution by Medicare Plan B
16 providers nationwide.

17 51. Defendant Roxane Laboratories, Inc. (“Roxane”) is a Delaware corporation with
18 its principal place of business located in Columbus, Ohio. On information and belief, Roxane is
19 a United States subsidiary of Pharma Investment Ltd., of Burlington, Canada, which in turn is a
20 division of C.H. Boehringer Sohn Gurdstücksverwaltung GmbH & Co. KG of Ingelheim,
21 Germany. Roxane manufactures and markets prescription pharmaceuticals, including for
22 distribution by Medicare Plan B providers nationwide. Boehringer, Ben Venue, and Roxane are
23 collectively referred to herein as the “Boehringer Group.”

24 52. The pharmaceuticals manufactured by the Boehringer Group and covered by
25 Medicare Part B include, but may not be limited to injectable forms of: acyclovir, bleomycin,
26 cisplatin, cyclosporine, cytarabine, doxorubicin hydrochloride, doxycycline, etoposide,

1 leucovorin calcium, methotrexate, mitomycin, paclitaxel, pamidronate disodium, and vinblastine
2 sulfate.

3 **9. B. Braun**

4 53. Defendant B. Braun Medical, Inc. is a Pennsylvania corporation with its principal
5 place of business located at 824 Twelfth Avenue, Bethlehem, Pennsylvania. B. Braun Medical,
6 Inc. is a wholly-owned subsidiary of B. Braun of America, Inc.

7 54. In 1997, B. Braun of America, Inc. acquired McGaw, Inc. ("McGaw"), a
8 Delaware corporation with a principal place of business in Irvine, California. Until its
9 acquisition by B. Braun of America, Inc., McGaw was in the business of manufacturing and
10 distributing prescription pharmaceuticals for distribution nationwide. Upon information and
11 belief, McGaw ceased to maintain a separate corporate entity upon the acquisition of McGaw by
12 B. Braun of America, Inc. Further, upon information and belief, after the McGaw acquisition, B.
13 Braun Medical, Inc. became the Braun entity engaged in the business of manufacturing and
14 distributing prescription pharmaceuticals for distribution by Medicare Part B providers
15 nationwide. (McGaw and B. Braun Medical, Inc. are collectively referred to herein as
16 "B. Braun"). B. Braun designs, manufactures, and markets medical devices and certain
17 intravenous solutions. B. Braun is in the business of manufacturing and distributing prescription
18 pharmaceuticals for distribution by Medicare Plan B providers nationwide.

19 55. The pharmaceuticals manufactured by B. Braun and covered by Medicare Part B
20 include, but may not be limited to: intravenous solutions of dextrose, dextrose sodium chloride,
21 and sodium chloride.

22 **10. The BMS Group (Bristol-Myers Squibb, OTN and Apothecon)**

23 56. Defendant Bristol-Myers Squibb Co. ("Bristol-Myers") is a Delaware corporation
24 with its principal place of business located at 345 Park Avenue, New York, New York. Bristol-
25 Myers is a multi-national health care company specializing in the manufacturing, marketing and
26

1 sale of pharmaceuticals and medical devices. For the year 2000, Bristol-Meyers reported
2 revenues of approximately \$20 billion and net earnings of \$4.7 billion.

3 57. Defendant Oncology Therapeutics Network Corp. (“OTN”) is a Delaware
4 corporation with its principal place of business located at 395 Oyster Point Boulevard, Suite 405,
5 South San Francisco, California. OTN has been a wholly-owned subsidiary of Bristol-Myers
6 since its acquisition in 1996. Prior to 1996, OTN was an independent company. In 2001, OTN
7 reported revenues of over \$1.4 billion.

8 58. OTN is a healthcare services and distribution firm that directly sells Bristol-
9 Myers’ infusion oncology drugs and related products to approximately 2,300 office-based
10 oncology practices in the United States. At the time of its acquisition by Bristol-Myers, OTN
11 was the leading distributor of chemotherapeutic drugs and related products for the treatment of
12 cancer. Bristol-Myers paid OTN a commission for marketing and selling its drugs. Both prior to
13 and after Bristol-Myers acquired OTN, Bristol-Myers marketed and sold its drugs directly to
14 medical providers across the country, and thus Bristol-Myers and OTN employed and
15 maintained extensive marketing and sales departments.

16 59. Defendant Apothecon, Inc. (“Apothecon”) is a Delaware corporation with its
17 principal place of business located in Princeton, New Jersey. It is a subsidiary of Bristol-Myers
18 specializing in small to mid-size niche brand and generic products.

19 60. Bristol-Myers, OTN and Apothecon are collectively referred to herein as the
20 “BMS Group.”

21 61. The BMS Group manufactures and distributes prescription drugs that are
22 clinically distributed by Medicare Plan B providers nationwide. The drugs manufactured by the
23 BMS Group and covered by Medicare Part B include, but may not be limited to: Blenoxane®
24 (bleomycin sulfate), Paraplatin® (carboplatin), Cytosan® (cyclophosphamide), Rubex®
25 (doxorubicin hydrochloride), Etopophos® (etoposide), Vepesid® (etoposide), Taxol V
26 (paclitaxel), and Fungizone® (amphotericin B).

62. The BMS Group engages in an organization-wide and deliberate scheme to inflate AWP's. The BMS Group has stated fraudulent AWP's for all or almost all of its drugs including Amikacin Sulfate, Amphotercin B, Bleomycin Sulfate, Cyclophosphamide, Vespid (etoposide), Carboplatin (paraplatin), Taxol (paclitaxel), and Blenoxane.

11. Dey, Inc.

63. Defendant Dey, Inc. ("Dey") is a Delaware corporation with its principal place of business at 2751 Napa Valley Corporate Drive, Napa, California. Dey is a unit of Merck KGaA, a German pharmaceutical conglomerate.

64. Dey is a specialty pharmaceutical company that primarily develops, manufactures and markets generic drugs used in the treatment of selected respiratory diseases and allergies. Dey, one of the largest United States manufacturers of such pharmaceuticals, had net sales of \$266 million in 1998.

65. The drugs manufactured by Dey and covered by Medicare Part B include, but may not be limited to: albuterol sulfate, acetylcysteine, cromolyn sodium, ipratropium bromide, and metproterenol sulfate.

66. Defendant Dey, Inc. f/k/a Dey Laboratories, Inc. ("Dey") is a corporation organized under the laws of Delaware with its principal offices in Napa, California.

67. Dey is a specialty pharmaceutical company focusing on drug products for respiratory diseases and related allergies. The products it manufactures and publishes AWP's on include: Ipratropium, Bromide, Metapeoterol Sulfate, and Accuneb.

12. The Fujisawa Group (Fujisawa Healthcare and Fujisawa USA)

68. Defendant Fujisawa Healthcare, Inc. ("Fujisawa Healthcare") is a Delaware corporation with its principal place of business located at Three Parkway North, Deerfield, Illinois. Fujisawa Healthcare is a wholly-owned subsidiary of Fujisawa Pharmaceutical Co. Ltd., a Japanese corporation. Fujisawa Healthcare focuses its efforts in the therapeutic areas of

immuno-suppression and transplantation, cardiovascular care, skin care, oncology, and antifungal and anti-infective treatment.

69. Defendant Fujisawa USA, Inc. (“Fujisawa USA”) is a Delaware corporation with its principal place of business located at Three Parkway North, Deerfield, Illinois. Fujisawa USA was a wholly-owned subsidiary of Fujisawa Pharmaceutical Co. Ltd. In 1998, Fujisawa Healthcare assumed responsibility for Fujisawa USA’s portfolio of proprietary products.

70. The drugs manufactured by Fujisawa Healthcare and Fujisawa USA (collectively referred to as the “Fujisawa Group”) and covered by Medicare Part B include, but may not be limited to: Acyclovir Sodium, Dexamethasone Sodium Phosphate, Doxorubicin Hydrochloride, Fluorouracil, Gentamicin Sulfate, Pentamidine Isethionate, and Vancomycin Hydrochloride.

13. Immunex

71. Defendant Immunex Corporation (“Immunex”), a wholly owned subsidiary of Defendant Amgen, Inc., is a Washington corporation with its principal place of business at 51 University Street, Seattle, Washington. Immunex is a company that develops products for the treatment of cancer, asthma, rheumatoid arthritis, inflammatory diseases, infectious diseases, and cardiovascular diseases. In 1999, its total revenues were \$542 million.

72. Immunex is in the business of manufacturing and distributing prescription pharmaceuticals for distribution by Medicare Plan B providers nationwide. Pharmaceutical drugs that are manufactured by Immunex and covered by Medicare Part B include, but may not be limited to: Leucovorin Calcium, Enbrel® (etanercept), Novantrone® (mitoxane hydrochloride), Leukine® (sargramostim), and Thioplex® (thiotepa).

73. Defendant Immunex has been a wholly owned subsidiary of Defendant Amgen, since Immunex’ acquisition in July 2002.

14. The Johnson & Johnson Group (J&J, Centocor, Janssen, McNeil and Ortho)

74. Defendant Johnson & Johnson (“J&J”) is a New Jersey corporation with its principal place of business located at One Johnson & Johnson Plaza, New Brunswick, New

1 Jersey. In 2001, pharmaceutical sales represented 45% of J&J's worldwide sales and 19% of its
2 operational growth. J&J is in the business of manufacturing and distributing prescription
3 pharmaceuticals for distribution by Medicare Plan B providers nationwide.

4 75. Defendant Centocor, Inc. ("Centocor") is a Pennsylvania corporation and has
5 been a wholly owned subsidiary of Defendant J&J since its acquisition by J&J in October 1999.
6 Centocor's principal place of business is located at 200 Great Valley Parkway, Malvern,
7 Pennsylvania. Centocor manufactures, markets and distributes prescription pharmaceuticals for
8 distribution by Medicare Plan B providers nationwide.

9 76. Defendant Janssen Pharmaceutica Products, L.P. ("Janssen") is a New Jersey
10 limited partnership with a principal place of business located at 1125 Trenton-Harbourton Road,
11 Titusville, New Jersey 08560. Janssen is a subsidiary of Johnson & Johnson.

12 77. Defendant McNeil-PPC, Inc. ("McNeil"), is a New Jersey corporation. McNeil is
13 a subsidiary of Johnson & Johnson. McNeil Consumer & Specialty Pharmaceuticals is a
14 division of McNeil and has a principal place of business located at 7050 Camp Hill Road, Fort
15 Washington, Pennsylvania 19034.

16 78. Defendant Ortho Biotech ("Ortho") is New Jersey corporation and has been a
17 wholly owned subsidiary of Defendant J&J since its formation by J&J in 1990. Ortho's principal
18 place of business is located at 700 U.S. Highway 202, Raritan, New Jersey. Ortho manufactures
19 and distributes prescription pharmaceuticals for distribution by Medicare Plan B providers
20 nationwide.

21 79. The drugs manufactured by J&J, Centocor, Ortho, McNeil and Janssen
22 (collectively referred to as the "J&J Group") and covered by Medicare Part B include, but may
23 not be limited to: ReoPro® (abciximab), an anti-blood clotting medication, Retavase®
24 (reteplase), an anti blood clotting agent, Procrit® (epoetin alfa), for the treatment of anemia,
25 Leustatin® (cladribine), for the treatment of leukemia, Orthoclone® (muromonab-CD3), used to
26

1 prevent organ transplant rejection, Sporanox® (itraconazole), used in the treatment of fungal
2 infections, and Remicade® (infliximab), an anti-inflammatory drug.

3 **15. Merck & Co., Inc.**

4 80. Defendant Merck & Co., Inc. (“Merck”) is a global pharmaceutical company,
5 comprised of several reportable segments, including Merck Pharmaceuticals and Merck Human
6 Health Division. Merck is a New Jersey corporation with its principal executive office in
7 Whitehouse Station, New Jersey. Merck’s pharmaceutical business is conducted through
8 divisional headquarters located in West Point, Pennsylvania and Rahway, New Jersey. Principal
9 research facilities are also located in West Point and Rahway. According to its internet website,
10 in 2001, Merck experienced total sales of over \$47 billion and a net income of over \$7 billion.
11 Prescription products sold by Merck include those at issue here, Zocor and Vioxx.

12 **16. The Pharmacia Group (Pharmacia and Pharmacia & Upjohn)**

13 81. Defendant Pharmacia Corporation (“Pharmacia”) is a Delaware corporation with
14 its principal place of business located at 100 Route 206, North Peapack, New Jersey. Pharmacia
15 was created through the merger of Defendant Pharmacia and Upjohn, Inc. and Monsanto
16 Company on March 31, 2000.

17 82. Defendant Pharmacia & Upjohn, Inc. (“P&U”) is a subsidiary of Pharmacia Corp.
18 In 1995, P&U was formed through the merger of Pharmacia AB and the Upjohn Company.
19 P&U became a global provider of human healthcare products, animal health products,
20 diagnostics and specialty products. In 1998, P&U relocated its global headquarters from the
21 United Kingdom to New Jersey. In September 1999, the company established its global
22 headquarters on a 70-acre campus in Peapack, New Jersey. This site is now the management and
23 pharmaceutical headquarters for Pharmacia.

24 83. Pharmacia is a highly diversified health care company whose business focuses on
25 the discovery, development, manufacture and sale of a broad and diversified line of health care
26 products and services, including pharmaceuticals, diagnostics and hospital products.

Pharmacia's Prescription Pharmaceuticals business segment is involved in researching, developing, registering, manufacturing and selling prescription pharmaceutical products, including general therapeutics, ophthalmology, and hospital products, which include oncology products and diversified therapeutics. Pharmacia reported sales of \$18.1 billion for the fiscal year ended December 31, 2000. Pharmacia also reported \$12.0 billion in prescription pharmaceuticals sales for the year 2001, and \$10.8 billion in prescription pharmaceuticals sales for the year 2000. Prescription pharmaceuticals sales account for over 85% of Pharmacia's overall pharmaceutical sales. According to its Annual Report, Pharmacia's oncology drugs generated more than \$1 billion in sales in 2001.

84. The drugs manufactured by Pharmacia and P&U (collectively referred to as the "Pharmacia Group") and covered by Medicare Part B include, but may not be limited to: Adriamycin PFS® (doxorubicin hydrochloride), Adrucil® (fluorouracil), Amphocin® (amphotericin), Aromasin® (bleomycin), Camptosar® (irinotecan hydrochloride), Cleocin Phosphate® (clindamycin phosphate), Neosar® (cyclophosphamide), Cytosar-U (cytarabine), Depo-Testosterone® (testosterone cypionate), Ellence® (epirubicin HCL), Toposar® (etoposide), Solu-Cortef® (hydrocortisone sodium succinate), Idamycin® (idarubicin hydrochloride), Medrol® (methylprednisolone), and Vincasar® (vincristine sulfate).

17. The Schering-Plough Group (Schering-Plough and Warrick)

85. Defendant Schering-Plough Corporation ("Schering-Plough") is a New Jersey corporation with its principal place of business located at 2000 Galloping Hill Road, Kenilworth, New Jersey.

86. Schering-Plough's primary business involves prescription products in core product categories, including allergy and respiratory, anti-infective and anticancer, cardiovasculars, dermatologicals and central nervous systems and other disorders. Schering-Plough's revenues in 2001 totaled \$9.8 billion.

87. Defendant Warrick Pharmaceuticals Corporation (“Warrick”), is a Delaware corporation with its principal place of business at 12125 Moya Boulevard, Reno, Nevada. Warrick is a wholly-owned subsidiary of Defendant Schering-Plough and has been since its formation in 1993. Warrick manufactures generic pharmaceuticals.

88. The drugs manufactured by Schering-Plough and Warrick (collectively at times referred to as the “Schering-Plough Group”) and covered by Medicare Part B include, but may not be limited to: Proventil® (albuterol sulfate), Integrelin® (eptifibatide), Intron A® (interferon alfa-2b recombinant), and Temodar® (temozolomide). The Schering-Plough Group’s Albuterol sulfate sales alone totaled \$154 million in 2000.

18. The Sicor Group (Sicor and Gensia)

89. Defendant Sicor Pharmaceuticals, Inc. (“Sicor”) is a Delaware corporation with its principal place of business located at 19 Hughes, Irvine, California. Sicor was the result of the 1997 merger between Defendant Gensia, Inc. (“Gensia”), a finished dosage manufacturer, and Rakepoll Holding, a Europe-based supplier of active pharmaceutical ingredients.

90. Sicor markets itself as a vertically-integrated specialty pharmaceutical company with expertise in the development, manufacturing and marketing of injectable pharmaceutical products, primarily used worldwide by hospitals. Sicor’s finished dosage products manufacturing operations account for 32% of its total revenue, and is comprised of a portfolio of products that includes oncology, anesthesiology, and critical care. Sicor’s 2001 revenues totaled nearly \$370 million. According to its website, Sicor operates its business through several subsidiaries.

91. Defendant Gensia Sicor Pharmaceuticals, Inc. (“Gensia Sicor”), a Delaware corporation, is a wholly-owned subsidiary of Sicor with its principal place of business located at 17 Hughes, Irvine, California. Gensia Sicor focuses on acute-care multisource products in the fields of oncology, cardiology, and anesthesiology. Gensia Sicor’s injectable drug business includes more than 60 products.

92. In 1999, Gensia Sicor entered into a sales distribution agreement with Abbott Laboratories under which the two companies formed a strategic alliance for the marketing and distribution of oncology products in the United States. The agreement was restructured in March 2002. In 1999, Gensia Sicor also amended an earlier agreement with Baxter Pharmaceutical Products, Inc. Notably, Abbott (6%) and Baxter (34%) accounted for nearly 40% of Sicor's total product sales in 2001.

93. The drugs manufactured by Sicor, Gensia, and Gensia Sicor (collectively referred to as the "Sicor Group") and covered by Medicare Part B include, but may not be limited to: amikacin sulfate and tobramycin sulfate.

19. Watson

94. Defendant Watson Pharmaceuticals, Inc. ("Watson") is a Delaware corporation with its principal place of business at 311 Bonnie Circle, Corona, California. Watson develops, manufactures and markets brand and generic pharmaceuticals. Watson is in the business of manufacturing and distributing prescription pharmaceuticals for distribution by Medicare Plan B providers nationwide.

95. The pharmaceuticals manufactured by Watson and covered by Medicare Part B include, but may not be limited to: albuterol sulfate, dexamethasone acetate, diazepam, gentamicin sulfate, iron dextran, testosterone enanthate, vancomycin hydrochloride, and cytarabine.

V. CO-CONSPIRATORS AND DOE DEFENDANTS

96. Various other individuals, partnerships, sole proprietors, business entities, companies, and corporations, presently unknown to the State and not named as Defendants in this Amended Complaint, participated as co-conspirators in the violations alleged herein and performed acts and made statements in furtherance thereof. Such unknown persons or entities acted as co-conspirators and aided, abetted, or participated with Defendants in the commission of

1 the wrongful acts alleged herein or otherwise caused the damages suffered by the State and its
2 residents.

3 97. DOES 1-100 are corporations, companies, partnerships, or other business entities
4 that participated in the illegal course of conduct that is the subject of this action as alleged herein.

5 98. DOES 101-125 are residents of the State of Arizona and are officers, employees,
6 or agents of the Defendants and/or entities owned or controlled by the Defendants. DOES 101-
7 125 participated in the illegal course of conduct that is the subject of this action as alleged herein.

8 99. DOES 126-150 are residents of states other than the State of Arizona and are
9 officers, employees, or agents of the Defendants and/or entities owned or controlled by the
10 Defendants. DOES 126-150 participated in the illegal course of conduct that is the subject of
11 this action as alleged herein.

12 100. DOES 151-200 are residents of countries other than the United States and are
13 officers, employees, or agents of the Defendants and/or entities owned or controlled by the
14 Defendants. DOES 151-200 participated in the illegal course of conduct that is the subject of
15 this action as alleged herein.

16 101. Except as described herein, Plaintiff is, as yet, ignorant of the true names,
17 capacities, nature and extent of the participation in the course of conduct alleged herein of the
18 persons sued as DOES 1-200 inclusive and, therefore, sues these Defendants by such fictitious
19 names. The State will amend this Amended Complaint to allege the true names and capacities of
20 the Doe Defendants when ascertained.

21 102. In addition, Defendants unknown at this time may include independent physicians
22 and other medical providers who prescribed drugs eligible for reimbursement by Medicare and
23 engaged in fraudulent billing practices, as well as various other persons, partnerships, sole
24 proprietors, firms, corporations and individuals that may have participated as co-conspirators
25 with Defendants in the offenses alleged in this Amended Complaint and may have performed
26 acts and made statements in furtherance of the alleged illegal conduct.

103. Each of the Defendants designated herein as a Doe Defendant is legally responsible in some manner for the unlawful acts referred to herein. Plaintiff will seek leave of Court to amend this Complaint to reflect the true names and capacities of the Defendants designated herein as Does when such identities become known. Collectively, these companies are referred to as the “Pharmaceutical Defendants,” Defendants or “Defendant Drug Manufacturers.”

104. At all times relevant hereto, each of the Defendants transacted business in the State of Arizona, including but not limited to, selling and distributing products in the State.

VI. THE MEDICARE INSURANCE PROGRAM

A. Rising Drug Costs and Increasing Use of Drugs by Seniors

105. America’s prescription drug prices, already the highest in the world, have risen nearly three times faster than inflation in the last ten years. This rapid increase has forced some people to make difficult choices between drugs that keep them healthy or other life necessities like food and rent. Although a variety of factors have contributed to the price increases, in some instances the competitive market for prescription drugs has been abused.

106. Drug costs are rising faster than inflation, and becoming a large percentage of the overall healthcare expenditure. By 2010, it is expected that drug expenditures will be approximately 13.8% of national health expenditures, up from 6.10% in 1995 and 8.2% in 1999.²

107. The cost of drugs over the next eight years is expected to rise between 10 and 15% per year. By 2008, national expenditure on drugs is expected to be \$243 billion, up from \$61 billion in 1995, a 299% increase. On a per capita basis, drug costs are estimated to increase to \$800 per year by 2008, an increase of 257% from 1995.

108. Rising drug costs can be attributed to a number of factors, including increased drug utilization, the growth in the number of new, more expensive drugs, and advances in science and medicine.

² Heffler, Stephen, *et al.*, “Health Spending Growth up in 1999; Faster Growth Expected in the Future” *Health Affairs* 20, no. 2 (March/April 2001): 194.

1 109. Increased utilization by Patients of all ages is contributing to rising drug costs.
 2 Since 1992, drug utilization (unadjusted for changes in population) has increased 52% from
 3 approximately 2 billion prescriptions dispensed per year to an estimated 3.15 billion in 2000. It
 4 is estimated that nearly 4.0 billion prescriptions will be dispensed by 2004. Seniors typically
 5 need more prescription drugs, and the senior population is expected to contribute
 6 disproportionately to rising utilization, especially as the Baby Boomers near retirement age.

7 110. Seniors constitute approximately 13% of the total population, but account for over
 8 one-third of the nation's drug expenditures. The typical Medicare beneficiary (over the age of
 9 65) spends \$516 per year on drugs, which is 235% greater than individuals under 65 years of
 10 age, who spend approximately \$154 per year.³ Recent survey data reported that 80% of retired
 11 persons take a prescribed drug every day, and the average Medicare beneficiary used 19.6
 12 prescriptions in 1996.⁴

13 111. Medicare beneficiaries without drug coverage utilize fewer prescriptions per year,
 14 and have higher out-of-pocket expenditures than beneficiaries with drug coverage. Seniors
 15 without drug coverage average 16 prescriptions per year while those with coverage average 21.1
 16 per year. Non-seniors with insurance averaged 6.8 prescriptions per year, while individuals
 17 without insurance coverage average just 2.0.

18 112. Many government Medicaid administrators have been placed in the unenviable
 19 position of having to ration needed health care services to the poor due to a lack of funds. For
 20 example, on December 5, 1997, the WASHINGTON POST reported that the Clinton Administration
 21 abandoned its effort to extend Medicaid coverage for AIDS therapies due to the high cost of
 22 drugs needed to treat HIV Patients.

23
 24
 25 ³ *Report to the President on Prescription Drug Coverage, Spending, Utilization and Price*, Office of the
 26 Assistant Secretary for Planning and Evaluation, Department of Health and Human Services. Data source is the
 Bureau of Labor Statistics, Consumer Expenditure Survey Data as analyzed by the Office of the Actuary, HCFA.

⁴ Davis, Margaret, *et al.*, "Prescription Drug Coverage, Utilization and Spending Among Medicare
 Beneficiaries," *Health Affairs* 18, no. 1 (January/February 1999): 237.

1 **B. The AWP System**

2 113. There are approximately 65,000 different drug products in the United States
 3 market, including different dosages of the same drug. Prescription drugs are dispensed to
 4 Patients by or through different types of medical providers, including but not limited to:
 5 (a) physicians who administer the drug in an office, (b) retail pharmacies, (c) home infusion
 6 pharmacies, and (d) other medical providers.

7 114. Providers regularly submit claims for reimbursement, seeking payment for the
 8 drugs from Medicare, insurers and Patients. Defendants were aware that the Medicare Program
 9 and virtually all end payors use published AWP's to reimburse providers for drugs. Use of the
 10 published AWP's to establish reimbursement rates for drugs is an industry-wide practice and
 11 exists with respect to all classes of drugs, brand-name and generic, and is used for Part B drugs
 12 and non-Part B drugs.

13 115. There are several pharmaceutical industry compendia that periodically publish, in
 14 printed and electronic media, the AWP's for the tens of thousands of drugs on the market,
 15 including the *Drug Topics Red Book* (the "*Red Book*"), *American Druggist First DataBank*
 16 *Annual Director of Pharmaceuticals* ("*First DataBank*"), *Essential Director of Pharmaceuticals*
 17 (the "*Blue Book*") and *Medi-Span's Master Drug Database* ("*Medi-Span*") (collectively referred
 18 to herein as the "Publishers"). These Publishers publish AWP's for the various dosage forms for
 19 drugs. And the AWP's are published for Part B, non-Part B, brand-name and generic drugs.

20 116. In periodically announcing the AWP for each drug, during the time period
 21 relevant to this Amended Complaint, the Publishers publish the prices that are supplied to them
 22 by the Defendant Drug Manufacturers for their respective drugs. For instance, the forward to the
 23 1999 edition of the *Red Book* states that "all pricing information is supplied and verified by the
 24 products' manufacturers, and it should be noted that no independent review of those prices for
 25 accuracy is conducted." In addition, a June 1996 Dow Jones news article reported that Phil
 26 Southerd, an associate product manager of the *Red Book*, stated that it only publishes prices that

1 are faxed directly from the manufacturer. Thus, the Defendant Drug Manufacturers control the
2 prices listed as the AWP for each drug listed by the Publisher.

3 117. A system that bases its reimbursement rates for drugs on the published AWP is
4 thus dependent on the honesty of the drug manufacturers. The Defendant Drug Manufacturers
5 knew they could directly control and fabricate the AWP for their drugs at any time by forwarding
6 to the Publishers a phony AWP. The Defendant Drug Manufacturers also knew that actual
7 transaction price data – the amounts charged to providers and others for their drugs – was not
8 publicly available, and they kept this information (on which AWP should have been calculated)
9 highly confidential and secret.

10 118. As detailed, the AWP for the drugs at issue here bore little relationship to the
11 drugs' pricing in the marketplace. They were simply fabricated and overstated in furtherance of
12 Defendants' scheme to generate the profit spread to providers, PBMs and others, and to increase
13 Defendants' profits at the expense of co-payors and payors.

14 119. Co-payors and payors paid for the drugs based on the inflated AWP reported by
15 the Defendant Drug Manufacturers.

16 120. The Defendant Drug Manufacturers' pattern of fraudulent conduct in artificially
17 inflating the AWP for their drugs (sometimes referred to herein as the "AWP Scheme") directly
18 caused co-payors and payors to substantially overpay for those drugs.

19 121. As detailed below, this overpayment manifested itself in two contexts, both of
20 which were well known and understood by the Defendant Drug Manufacturers: (i) drugs
21 administered under Medicare Part B, and (ii) certain drugs administered outside of the Medicare
22 context whose reimbursement was established by use of AWP as a benchmark.

23 **C. The Defendant Drug Manufacturers Commit AWP Fraud to Increase Market Share**
24 **For Their Drugs Covered by Medicare Part B**

25 **1. The Medicare Insurance Program**

26 122. In 1965, Congress enacted Title XVIII of the Social Security Act ("Medicare" or
the "Medicare Program") to pay for the cost of certain medical services and care.

1 123. The United States Department of Health & Human Services (“HHS”) is
2 responsible for the funding, administration and supervision of the Medicare Program. The
3 Centers for Medicare and Medicaid Services (“CMMS”), formerly known as the Health Care
4 Financing Administration (“HCFA”), is a division of HHS and is directly responsible for the
5 administration of the Medicare Program.

6 124. The Medicare Program generally does not cover the cost of prescription drugs that
7 a Medicare beneficiary self administers (*e.g.*, by swallowing the drug in liquid or pill form).
8 However, Medicare Part B does cover some drugs, including injectables administered directly by
9 a doctor, certain oral anti-cancer drugs, and drugs furnished under a durable medical equipment
10 benefit. Approximately 450 drugs are covered by Medicare Part B.

11 125. In determining the amount it will pay, Medicare calculates the “allowed” amount
12 for the drug. During the period 1992 through 1997, Medicare’s reimbursement for Covered
13 Drugs was set at the lesser of the estimated acquisition cost or national average wholesale price.
14 For generic drugs (where more than one company sells a certain drug, sometimes called
15 multiple-source drugs), payment was based on the lower of the estimated acquisition cost or the
16 wholesale price that was defined as the median price for all sources of the generic form of the
17 drug. This payment methodology was set forth in 42 C.F.R. § 405.517, a regulation first
18 published in the Federal Register on November 25, 1991 and which became effective on or about
19 January 1, 1992.

20 126. The estimated acquisition cost for a drug could be determined by the Medicare
21 Program “based on surveys of the actual invoice prices paid for the drug” taking into
22 consideration the estimated acquisition cost, including “factors such as inventory, waste and
23 spoilage.” However, historically it has been the AWP published in the *Red Book* or other
24 compendia that has been used as a ceiling for Medicare reimbursement.

1 127. On January 1, 1998, 42 C.F.R. § 405.517 was amended to provide that the
2 allowed amount would be based upon the lower of the billed charge on the Medicare claim form
3 or 95% of AWP.

4 128. The Medicare Program has publicly announced that it would use the AWP
5 published in pharmaceutical industry magazines as the basis for reimbursement. Specifically,
6 Program Memorandum AB-99-63 (dated September 1999 but re-issuing PM AB-98-76 dated in
7 December 1998), a publicly available Medicare Program bulletin, confirmed that reimbursement
8 for certain Medicare Part B drugs and biologicals “are paid based on the lower of the billed
9 charge or 95 percent of the AWP as reflected in sources such as the *Red Book*, *Blue Book*, or
10 *Medi-Span*.”

11 129. Pursuant to PM AB-99-63, the AWP for a single-source drug or biological equals
12 the AWP of the single product. For a multi-source drug or biological, the AWP is equal to the
13 lesser of the median AWP of all of the generic forms of the drug or biological or the lowest
14 brand-name product AWP.

15 130. Medicare Part B reimburses medical providers 80% of the allowable amount for a
16 drug. The remaining 20% is paid by the Medicare Part B beneficiary, and is called the “co-
17 payment” amount. All medical providers are required by law to bill the 20% co-payment and
18 make attempts beyond merely billing to collect that amount. In addition, beneficiaries under
19 Medicare Part B are required to pay an annual deductible amount before Part B benefits are
20 payable.

21 131. Some Medicare beneficiaries are able to purchase private Medigap insurance,
22 which covers, among other things, all or part of the 20% co-payment for Covered Drugs.

23 132. In setting reimbursement rates, the Medicare Program uses the AWP's generated
24 by the pharmaceutical industry. There are no regulations describing how AWP's are to be
25 calculated, nor any regulatory process for approving them. Pharmaceutical companies do not
26 report AWP's directly to the federal government, but instead send their pricing information to

1 independent publishing companies that compile the data and publish the AWP in trade
2 publications, which are then used by the government, as well as private health plans.

3 133. The importance of an accurate AWP was recently reconfirmed by the Office of
4 the Inspector General (“OIG”) in an April 2003 report: “Compliance Program Guidance for
5 Pharmaceutical Manufacturers.” The OIG report found that the “government sets reimbursement
6 with the expectation that the data provided are complete and accurate.” The OIG report made it
7 clear that the AWP must be a meaningful figure that is not artificially inflated:

8 Where appropriate, manufacturers’ reported prices should
9 accurately take into account price reductions, cash discounts, free
10 goods contingent on a purchase agreement, rebates, up-front
11 payments, coupons, goods in kind, free or reduced-price services,
12 grants, or other price concessions or similar benefits offered to
13 some or all purchasers. Any discount, price concession, or similar
14 benefit offered on purchases of multiple products should be fairly
15 apportioned among the products (and could potentially raise anti-
16 kickback issues). Underlying assumptions used in connection with
17 reported prices should be reasoned, consistent, and appropriately
18 documented, and pharmaceutical manufacturers should retain all
19 relevant records reflecting reported prices and efforts to comply
20 with federal health care program requirements.

15 134. And, the OIG rejected the notion that purposeful AWP manipulation was a lawful
16 practice:

17 The “spread” is the difference between the amount a customer pays
18 for a product and the amount the customer receives upon resale of
19 the product to the patient or other payer. In many situations under
20 the federal programs, pharmaceutical manufacturers control not
21 only the amount at which they sell a product to their customers, but
22 also the amount those customers who purchase the product for
23 their own accounts and thereafter bill the federal health care
24 programs will be reimbursed. To the extent that a manufacturer
25 controls the “spread,” it controls its customer’s profit.

22 Average Wholesale Price (AWP) is the benchmark often used to
23 set reimbursement for prescription drugs under the Medicare Part
24 B program. For covered drugs and biologicals, Medicare Part B
25 generally reimburses at “95 percent of average wholesale price.”
26 42 U.S.C. 1395u(o). Similarly many state Medicaid programs and
other payers base reimbursement for drugs and biologicals on
AWP. Generally, AWP or pricing information used by
commercial price reporting services to determine AWP is reported
by pharmaceutical manufacturers.

If a pharmaceutical manufacturer purposefully manipulates the AWP to increase its customers' profits by increasing the amount the federal health care programs reimburse its customers, the anti-kickback statute is implicated. Unlike *bona fide* discounts, which transfer remuneration from a seller to a buyer, manipulation of the AWP transfers remuneration to a seller's immediate customer from a subsequent purchaser (the federal or state government). Under the anti-kickback statute, offering remuneration to a purchaser or referral source is improper if one purpose is to induce the purchase or referral of program business. In other words, it is illegal for a manufacturer knowingly to establish or inappropriately maintain a particular AWP if one purpose is to manipulate the "spread" to induce customers to purchase its product.

In the light of this risk, we recommend that manufacturers review their AWP reporting practices and methodology to confirm that marketing considerations do not influence the process. Furthermore, manufacturers should review their marketing practices. ***The conjunction of manipulation of the AWP to induce customers to purchase a product with active marketing of the spread is strong evidence of the unlawful intent necessary to trigger the anti-kickback statute.*** Active marketing of the spread includes, for example, sales representatives promoting the spread as a reason to purchase the product or guaranteeing a certain profit or spread in exchange for the purchase of a product. [Emphasis added.]

2. Congressional and Other Federal Investigations and Actions

135. The United States Department of Justice ("DOJ"), the United States General Accounting Office ("GAO"), the Office of the Inspector General at the United States Department of Health and Human Services ("OIG"), and certain Congressional subcommittees have been investigating the Defendant Drug Manufacturers and other pharmaceutical manufacturers for questionable practices regarding the industry's calculation of AWP's and for offering illegal incentives to providers.

136. In a letter dated September 28, 2000, sent from the House of Representatives Committee on Ways and Means, Subcommittee on Health to the President of the trade organization known as the Pharmaceutical Research and Manufacturers of America (most of the Defendant Drug Manufacturers are members of this association), Congressman Stark identified the improper scheme of manipulating AWP's and noted:

This corruptive scheme is perverting financial integrity of the Medicare program and harming beneficiaries who are required to pay 20% of Medicare's current limited drug benefit.

137. In his September 28 letter, Congressman Stark made the following five "shocking conclusions":

First – Certain drug manufacturers have abused their position of privilege in the United States by reporting falsely inflated drug prices in order to create a de facto improper kickback for their customers.

Second – Certain drug manufacturers have routinely acted with impunity in arranging improper financial inducements for their physicians and other healthcare provider customers.

Third – Certain drug manufacturers engage in the fraudulent price manipulation for the express purpose of causing federally funded health care programs to expend scarce tax dollars in order to arrange de facto kickbacks for the drug manufacturers' customers at a cost of billions of dollars.

Fourth – Certain drug manufacturers arrange kickbacks to improperly influence physicians' medical decisions and judgments notwithstanding the severely destructive effect upon the physician/patient relationship and the exercise of independent medical judgment.

Fifth – Certain drug manufacturers engage in illegal price manipulation in order to increase utilization of their drugs beyond that which is necessary and appropriate based on the exercise of independent medical judgment not affected by improper financial incentives.

138. The DOJ and Congressional investigations are ongoing.

3. Certain of the Defendants Drug Manufacturers' Fraudulent Conduct Within the Medicare Part B Program

139. As set forth below, certain of the Defendants Drug Manufacturers each perpetrated the alleged fraudulent scheme by using some and/or all of the following practices:

a. Artificially Inflating AWP

140. Each Defendant Drug Manufacturer provided AWP (or the functional equivalent) for each of its drugs to the *Red Book*, the *Blue Book*, *Medi-Span* and other

1 pharmaceutical compendia for Medicare Part B Covered Drugs and non-Part B drugs, both
2 brand-name and generic.

3 141. The Defendant Drug Manufacturers deliberately and intentionally published
4 AWP's for Medicare Part B Covered Drugs that did not reflect the actual pricing structure of the
5 drugs, or a reasonable relationship to acquisition cost, but was created solely to increase
6 Defendants' market share at the expense of co-payors and payors. The Defendant Drug
7 Manufacturers created and perpetuated this scheme so that the medical providers who purchased
8 these drugs at a low cost would bill Patients and their insurers at the inflated AWP's and earn a
9 substantial profit from the "spread" between the real cost and the various AWP-related
10 reimbursement rates.

11 142. The Defendant Drug Manufacturers knew and understood that Medicare and co-
12 payors and payors used the various publications to determine the AWP's of the drugs. Because
13 the Defendant Drug Manufacturers controlled the published AWP's either directly or indirectly,
14 the Defendant Drug Manufacturers knew and understood that they could manipulate the
15 providers' profits. The purpose of artificially inflating the providers' profits was to create an
16 illegal kickback to the providers, funded by payors' overpayments.

17 143. As part of their scheme, the Defendant Drug Manufacturers specifically instructed
18 and/or expected the providers to charge the inflated AWP's.

19 **b. Other Hidden and Improper Inducements and Price Reductions**

20 144. The Defendant Drug Manufacturers also have provided and/or arranged for many
21 other non-public financial inducements to stimulate sales of their Covered Drugs at the expense
22 of payors. Such inducements included volume discounts, rebates, off-invoice pricing, free
23 goods, credit memos, consulting fees, debt forgiveness and educational and promotional grants.
24 All of these incentives were designed to lower the providers' net cost of purchasing the
25 Defendant Drug Manufacturers' Covered Drugs. And again, the value of these services was kept
26 "off the book," so as to not be reflected in the AWP, which in turn inflates the AWP.

D. The Defendant Drug Manufacturers' Use of AWP Fraud to Increase and Maintain the Price of Drugs Outside of the Medicare Part B Context

145. The Defendant Drug Manufacturers' AWP fraud strikes well beyond Medicare Part B, adversely impacting health plans and their participants with respect to reimbursements for scores of other drugs.

146. Health plans typically contract with intermediaries called pharmacy benefit managers ("PBMs") so that a health plan's participants can obtain brand-name drugs from pharmacies or, via mail order, directly from the PBMs. In these contracts, the brand-name drugs are priced at the AWP less a certain percentage "discount."

147. For brand-name drugs, PBMs use inflated "Average Wholesale Price" – or "AWP" – set by Drug Manufacturers as the basis for reimbursement (i) made by health plans to the PBMs for their members' drug purchases, and (ii) from the PBMs to the pharmacies for the purchases made by health plans' members. The PBMs typically contract with retail pharmacies to reimburse an amount equal to each drug's AWP, less a specified discount, plus a dispensing fee. Because the PBMs consider the contracting relationship with retail pharmacies to be confidential, health plans are never informed of the reimbursement amount to pharmacies. However, the PBM frequently pockets a "spread" or differential between charges paid to pharmacies and collected from clients. So, for example, clients may be charged the AWP minus 13%, but the retail pharmacy may only receive the AWP minus 15%, generating an undisclosed 2% spread for the PBM. Furthermore, as the example presented demonstrates, PBMs are motivated to, and do place on their formulary those drugs with inflated AWP's: the greater the AWP inflation, the greater the profit to the PBM based on the 2% spread. A similar situation occurs for generic drug pricing based on Maximum Acquisition Cost ("MAC") lists, as the PBM uses one MAC list to charge clients and another MAC list to reimburse pharmacies. Further, with respect to mail order prescriptions, PBMs do business with companies that have the right to repackage drugs; they are called repackagers. These repackagers assign a new NDC number to a drug and publish a higher AWP. The PBM then negotiates with the repackager a discount off the

1 AWP and tells the health plan it has saved a certain percentage off the AWP. But because the
2 repackager's AWP is higher, the health plan pays more and the PBM pockets the spread between
3 the AWP and the price paid to the repackager. PBMs also have mail order services in which
4 case they act as the pharmacy. In this situation, the PBM keeps the spread between the AWP and
5 the list price as there is no intermediary, like a pharmacy dispensing the drug. The PBMs keep
6 this spread knowing that the AWP's are inflated and not the true AWP.

7 148. The Defendant Drug Manufacturers knew and understood that retailers and PBMs
8 used the *First DataBank* and other publications to determine the AWP's of the drugs. Because
9 the Drug Manufacturers controlled the AWP's published in the *Red Book* and other compendia,
10 the Drug Manufacturers knew and understood that they could help manipulate the PBMs' profits
11 from co-payors and payors. The purpose of artificially inflating the PBMs' profits was to create
12 an illegal kickback to the PBMs, funded by health plan and subscriber overpayments.

13 149. The PBMs typically contract with retail pharmacies to reimburse in an amount
14 equal to each drug's AWP, less a specified discount, plus a dispensing fee. Because the PBMs
15 consider the contracting relationship with retail pharmacies to be confidential, health plans are
16 never informed of the reimbursement amount to pharmacies.

17 150. A similar situation occurs for generic drug pricing based on MAC lists, as the
18 PBM uses one MAC list to charge clients and another MAC list to reimburse pharmacies.

19 151. The PBMs deliberately utilize the inflated AWP to overcharge health plans for
20 brand-name drugs purchased by their participants and beneficiaries at retail pharmacies. An
21 example of this practice was recently reported in the WALL STREET JOURNAL on March 30, 2003.
22 According to the WALL STREET JOURNAL article, the AWP for fluoxetine is \$2.66 a pill. With a
23 60% discount off the AWP, that brings the price to \$1.06 a pill the PBM collects from the plan.
24 Express Scripts pays the pharmacy 25 cents a pill and keeps the rest as profit. Express Scripts
25 claims that currently its clients pay 60 cents a pill, but since Express Scripts pays a pharmacy 25
26 cents per pill, it receives almost a 100% profit. And at the same time it was making this profit,

Express Scripts was notifying its clients it was saving them money by having switched to fluoxetine, instead of Prozac.

E. The Defendant Drug Manufacturers' Use of AWP Fraud to Increase and Maintain Volume and Market Share for Generic and Multi-Source Drugs

152. The Defendant Drug Manufacturers' AWP fraud is most exacerbated for generic drugs or for brand-name drugs for which there are biological or therapeutic equivalents.

153. Health plans and other sponsors of drug benefits contract with PBMs both so that the plan's participants can obtain *brand-name* drugs from pharmacies or mail order distribution, but also so that they might receive *multi-source*, or *generic, drugs*. As with brand-name drugs, reimbursement for multi-source, or generic drugs, is also related to a published average wholesale price for each generic drug manufactured and/or distributed by a generic drug company.

154. In the private payor arena, generic drug reimbursement is determined either in the same manner for brand-name drugs (*i.e.*, a certain percentage "discount" off of the AWP), or is based on the amount specified as the maximum allowable cost or "MAC." MAC prices or reimbursements rates are a schedule of pricing for generically equivalent drugs based upon the listed average wholesale prices (AWPs) of competing generic drug manufacturers. The federal government originally introduced the concept of MAC reimbursement for generic medications. The CMS issues a MAC price list for generic products that have three or more manufacturers or distributors on the market. Because of this limitation, not all generics have a corresponding CMS MAC price.

155. PBMs often utilize this government-issued MAC reimbursement publication as a basis for their proprietary MAC list and supplement the list with other generic products or modify it for a variety of purposes. Sometimes, to stabilize the cost variance of different generic products of the same compound, pharmacy benefit administrators calculate a maximum allowable cost based on the list average wholesale prices of competing generic drug manufacturers (indeed, this is termed in the industry as the average wholesale price or

1 “AAWP”). The resulting proprietary MAC generic drug reimbursement lists are typically based
 2 on the AAWP and, in turn, the AWP.

3 156. Accordingly, in the private payor arena generic drug reimbursement is closely tied
 4 to the published AWP for a generic drug. Generic drug makers are able to push market share for
 5 their generic drugs by intentionally increasing the published AWP for a generic drug with the
 6 intention to create a profit margin for others in the distribution chain. That profit margin is taken
 7 advantage of either directly (through reimbursement based upon the AWP for some plans and in
 8 some channels) or indirectly on the AWP based upon the establishment of a MAC tied to the
 9 AWP.

10 157. In the public payor arena under Medicare Part B, multi-source drugs or
 11 biologicals are also reimbursed on the basis of AWP. For multi-source drugs or biologicals,
 12 under Medicare Part B the AWP is equal to the lesser of the median AWP of all of the generic
 13 forms of the drug or biological, or the lowest brand-name product AWP. Because
 14 reimbursement is pegged to the AWP, drug makers act in unison by elevating the AWP for all
 15 generic drugs, thereby inflating the amount of the reimbursement that occurs through Medicare
 16 Part B, including the Medicare co-payment through Part B.

17 158. As stated by one industry consultant:

18 . . . This situation is more pronounced with generic drugs. Many
 19 generic companies have taken advantage of this use of AWP by
 20 substantially inflating their published AWP's.... [T]he system
 21 allows a retailer to acquire a drug at a low cost \$2.50 per 100
 22 tablets, for example) while relying on a published AWP (\$20.00 or
 23 more) for its own pricing. It is not uncommon that the \$25.00
 24 retail price for a generic drug renders a gross profit well above
 25 \$20.00 for the retailer. It is also common for the AWP of a generic
 26 product to remain stable while the actual selling price declines....
 It is obvious that AWP is not an accurate measure of the prices
 manufactures charge. It must also be noted that not all generic
 products will be priced similarly. Some, in fact, use the more
 traditional method of a 20% markup to reach an AWP. This can be
 a handicap for generic companies choosing this method because
 retailers often use the AWP as the starting point for many pricing
 decisions and an artificially high AWP provides the retailer with
 greater profits.

159. The raising of an individual Defendant's reported AWP for a multi-source drug raises the median AWP at which the generic drug is reimbursed. As a result, the publication and reporting of fraudulent AWP's by Defendants for generic drugs squarely fits generic drugs in the paradigm of the AWP Scheme. Moreover, while any one generic manufacturer can only effect the median generic reimbursement AWP for a product, Defendants can and do create a spread between the median AWP and the actual prices paid by reporting AWP's that are far in excess of the actual wholesale prices while simultaneously maintaining or lowering actual wholesale prices.

160. Documents produced by Defendant generic manufacturers show that they are aware of the AWP's reported by their competitors and of the actual sales price of their generic competitors and that they manipulate their own AWP's in order to gain or maintain a competitive advantage in the market for their generic products. Each Defendant generic manufacturer or distributor competes by inflating its AWP and thereby inflating the median AWP. The natural and expected result of this "leap frogging" of increasing AWP's is that multi-source drugs have some of the highest spreads of any drugs, sometimes resulting in an AWP over 50,000% over actual costs. A few examples are set forth below:

Defendant	Multisource Drug	RedBook AWP	DOJ Determined Actual AWP	Percentage Spread
Abbott	Sodium Chloride	\$670.89	\$3.22	20,735%
Baxter	Dextrose	\$928.51	\$2.25	41,167%
Baxter	Sodium Chloride	\$928.51	\$1.71	54,199%
Boehringer Group	Leucovorin Calcium	\$184.40	\$2.76	6,581%
B. Braun	Sodium Chloride	\$11.33	\$1.49	660%
BMS Group	Etoposide (Vepesid)	\$136.49	\$34.30	298%
Dey	Albuterol Sulfate	\$30.25	\$9.17	230%
Immunex	Leucovorin Calcium	\$137.94	\$14.58	846%
Pharmacia	Etoposide	\$157.65	\$9.47	1,565%
Sicor Group	Tobramycin Sulfate	\$342.19	\$6.98	4,802%
Watson	Vancomycin HCL	\$70.00	\$3.84	1,567%

1 161. In summary, generic or multi-source drugs are subject to fraudulent AWP
2 manipulation as set forth in this Amended Complaint.

3 162. The importance of AWP to generic drugs was recently revealed in a lawsuit filed
4 by Dey and two of the Publishers. In this lawsuit, Dey's allegations can be summarized as
5 follows:

6 (a) Dey is a generic manufacturer, and generic manufacturers largely compete
7 on price because they market products that contain the same active ingredients and are
8 predominantly therapeutically interchangeable. (§ 9 of Dey Complaint.)

9 (b) A large segment of the generic marketplace for respiratory drugs is
10 comprised of a relatively small number of entities controlling purchase decisions. (§ 12 of Dey
11 Complaint.)

12 (c) The vast majority of prescription drug transactions – as much as 85% – are
13 covered, in whole or in part, by third-party payor reimbursement arrangements such as managed
14 care plans and Medicaid. (§ 13 of Dey Complaint.) Both Medicaid and the private insurance
15 system rely on reimbursement formulas that utilize the AWP. (§§ 14-16 of Dey Complaint.)

16 ***This allegation confirms Plaintiff's allegations in this Amended Complaint that the AWP***
17 ***fraud impacts private markets, not just Medicaid.***

18 (d) Dey has an agreement with *First DataBank* and *Medi-Span* to provide the
19 reporting services with AWP pricing information. Pursuant to this agreement (and in order to
20 make Dey's products eligible for reimbursement through Medicaid Programs), Dey has reported
21 WACs and AWP. (§§ 26-32 of Dey Complaint.)

22 In each case, until the events that have resulted in the present
23 crisis, First DataBank has (except for some inadvertent errors)
24 selected for listing in its published reports the AWP as suggested
25 by Dey. For over ten years, until April 2003, no prices other than
26 those submitted by Dey have been listed by First DataBank as
AWP for Dey products in its databases [even though Dey also
reported declining WACs for the products].

(¶ 32 of Dey Complaint; *see also* ¶ 36 of Dey Complaint for similar allegation against *Medi-Span*.) This has also been the course of dealings between the Publishers and Dey’s competitors:

Virtually every drug manufacturer who participates in these reimbursement programs, and against whom Dey competes also communicates their suggested AWP prices to the reporting services. To the best of Dey’s knowledge, with few, if any exceptions, First DataBank and Medi-Span have selected and reported the AWP pricing exactly as suggested by these competing manufacturers.

(¶ 37 of Dey Complaint.) *See also* ¶ 47 of Dey Complaint (recounting testimony of *First DataBank* representative who admits that *First DataBank* had always accepted the AWP suggested by the manufacturers).

(e) Providers who dispense generic drugs “are cognizant of, and are highly attentive to, AWP as reported by the recognized industry compendia published by *First DataBank* and *Medi-Span* because of the direct relationship between the level of reimbursement anticipated for the drugs selected and the reported AWP of those drugs.” (¶ 38 of Dey Complaint.) Indeed, Dey admits that it has relied on the Publishers’ practice of treating all manufacturers equally by simply reporting whatever AWP a manufacturer submitted. Consequently, *First DataBank* and *Medi-Span* have frustrated Dey’s “reasonable expectations” by ***independently reporting*** an AWP different than that submitted by Dey. (¶ 39 of Dey Complaint.) These allegations become even more emphatic in a section of the Complaint titled “The Immediate Consequences of the Arbitrary Changes:”

Since reimbursement to Dey’s customers is, in Medicaid program in many states and in and [sic] insurance programs, most frequently based on the AWP as reported by the reporting services, this arbitrary and capricious reduction by First DataBank and Medi-Span in AWP would result in a drastic reduction in the reimbursement to drug providers who choose to dispense Dey’s product. Since there has not been a comparable reduction in the AWP for Dey’s competitors, there would be no comparable reduction in the reimbursement the purchasers of competitive products receive.

Because reimbursement for Dey products would be significantly reduced, but reimbursement for those competing products would remain as they have been, Dey is prevented, by First DataBank’s

and Medi-Span's arbitrary and capricious acts, from effectively competing in the marketplace.

In fact, within one day of learning that First DataBank and Medi-Span had arbitrarily changed Dey's AWP, Dey has already been contacted by at least nine of its customers complaining about the drastic changes and indicating that, because of those changes, the customers would not be able to purchase Dey products since they could not earn a reasonable profit from the sale of such products.

Further, at least one customer has already indicated that he had canceled all of his purchases presently on order from Dey and was, instead, buying those products from Dey's direct competitors.

..... These providers will cease to purchase and dispense Dey's drugs if the reimbursement for those drugs is a fraction of those obtained from competing companies. Because purchasing decisions are highly concentrated in this industry among wholesalers and group purchasing organizations, this scenario is playing out across the country and threatens to eliminate sales of Dey's products that are covered by Medicaid and insurance reimbursement programs.

(¶¶ 50-54 of Dey Complaint.)

163. *These allegations confirm the allegations herein that medical providers rely on spreads in dispensing (and, consequently, so do the manufacturers in order to move market share).* Further, these allegations are akin to saying: "We all committed fraud on an even basis, but now only my competitors can commit fraud; consequently, I have now suffered damage."

F. Defendants' Concealment of the Truth

164. Each Defendant concealed its fraudulent conduct from co-payors and payors by controlling the process by which the AWP's for Covered Drugs and brand-name drugs were set. Defendants prevented co-payors and payors from knowing what the actual pricing structures for these drugs were, and failed to inform them of the usage of free samples and the provision of other financial incentives to providers and other intermediaries to lower their respective costs for the drugs. Moreover, Defendants' fraudulent conduct was of such a nature as to be self-concealing.

165. Each Defendant closely guarded its pricing structures and sales figures for their Covered Drugs and brand-name drugs. CMS Health Care Industry Market Update (dated

January 10, 2003) stated that drug “price discounts are closely guarded as competitive information.”

166. Each Defendant also concealed its fraudulent conduct by instructing providers and others not to report the prices they paid for the Covered Drugs and brand-name drugs, respectively.

167. Each Defendant’s efforts to conceal its pricing structures for Covered Drugs and brand-name drugs is evidence that it knew that its conduct was fraudulent.

168. Thus, each Defendant concealed that (i) its AWP’s were highly-inflated (and were inflated solely to cause co-payors and payors to overpay for the AWPIDs), (ii) it was manipulating the AWP’s of the AWPIDs, and (iii) the AWP’s bore no relationship to the prices paid for, or the pricing structure of, the AWPIDs as they were sold to providers and others.

VII. EXAMPLES OF SPECIFIC UNLAWFUL CONDUCT

169. Due to acts of concealment by each Defendant, the following examples of the specific unlawful conduct engaged in by each particular Defendant are merely illustrative. They are not intended to be an exhaustive account of all of the unlawful activity engaged in by each Defendant. Instead, these allegations allege the circumstances of the wrongdoing with some detail. Additional detail is peculiarly within the Defendants’ control and warrants that further discovery should proceed as to each drug identified in this Amended Complaint as well as other drugs whose AWP is published by any Defendant. The drugs at issue in this litigation are identified by Defendant as set forth below *or* in Appendix A. Once a drug is identified either below or in Appendix A all NDCs are the subject of the charges in this Amended Complaint.

A. Abbott

170. Abbott engages in an organization-wide and deliberate scheme to inflate AWP’s. Abbott has stated fraudulent AWP’s for all or almost all of its drugs, including those set forth below. The specific drugs of Abbott for which relief is currently sought in this case are set forth in Appendix A, and/or are identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
ABBOTT	A-Methapred	methylprednisolone sodium succinate	Anti-Inflammatory Agent Used to provide relief for inflamed areas of the body. Also used for control of allergic processes
	Aminosyn	amino acid	Nitrogen Product Used as a nutritional supplement
	Biaxin	clarithromycin	Macrolide (Anti-Infective Agent) Used to treat mild to moderate infections
	Calcijex	calcitriol	Hormone Used in the treatment of hypocalcemia
	Depakote	divalproex sodium	Anticonvulsant Used in the treatment of complex partial seizures
	Ery-tab	erythromycin, enteric- coated	Antibiotic Agent (Anti-Infective Agent) Used in the treatment of various infections
	Erythromycin	erythromycin base	Antiacne Agent; Anti-Infective Agent Used in the treatment of various infections
	Liposyn II	fat emulsion	Caloric Agent; Nutritional Supplement Used as a nutritional supplement
	Prevacid	lansoprazole	Proton Pump Inhibitor (Gastrointestinal Agent) Used in the treatment of duodenal ulcer and erosive esophagitis
		acetylcysteine	Mucolytic (Respiratory Agent: Diagnostic Aid) Used for certain lung conditions when increased amounts of mucus make breathing difficult
		acyclovir sodium	Anti-Infective Agent Used in the treatment of herpes infections
		amikacin sulfate	Antibiotic Agent (Anti-Infective Agent) Used to treat respiratory tract, urinary tract, bone, skin and soft tissue infections
		cimetidine hydrochloride	Gastrointestinal Agent Used in the treatment of duodenal ulcer and prevention of ulcer recurrence
		clindamycin phosphate	Anti-Infective Agent Used in the treatment of vaginal infections
		dextrose	Caloric Agent Used to increase intake of calories and fluids
		dextrose sodium chloride	Caloric Agent; Electrolyte Replenisher Used to increase intake of calories and fluids

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
		diazepam	Central Nervous System Agent Used to treat status eplipeticus and anxiety disorders. Also used as an amnesic prior to surgical procedures
		fentanyl citrate	Central Nervous System Agent Used for anesthetic purposes
		furosemide	Diuretic Used in the treatment of edema associated with cirrhosis and kidney disease. Also used to manage hypertension
		gentamicin sulfate	Anti-Infective Agent Used as a general antibiotic to treat serious gastrointestinal, respiratory, bone, skin and soft tissue infections
		heparin sodium or heparin lock flush	Blood Modifier Used to prevent and treat thrombosis and pulmonary embolism. Also used as an anticoagulant in blood transfusions and dialysis procedures
		leucovorin calcium	Antianemic Agent (Blood Modifier) Used in the treatment of anemia
		lorazepam	Central Nervous System Agent Used in the treatment of anxiety disorders
		sodium chloride	Flush; Abortifacient Used to remove medicine and blockage from intravenous (IV) catheter. Also used to induce abortion
		tobramycin sulfate	Antibiotic Agent (Anti-Infective Agent) Used to treat severe infection
		vancomycin hydrochloride	Antibiotic Agent (Anti-Infective Agent) Used as a general antibiotic

1. Abbott Has Been The Target of Government Investigations

171. In connection with its scheme to inflate AWP's, Abbott has been investigated by the United States Department of Justice, Commonwealth of Massachusetts, the Office of Inspector General of the Department of Health and Human Services, the Attorney General for the State of Texas, the Attorney General for the State of California, and the State of California Department of Justice Bureau of Medi-Cal Fraud and Elder Abuse.

1 172. These investigations confirm that Abbott has engaged in a deliberate scheme to
 2 inflate the published AWP's for many of its drugs. According to Representative Pete Stark, the
 3 ranking member of the Congressional Ways and Means Committee:

4 The price manipulation scheme is executed through Abbott's
 5 inflated representations of average wholesale price ("AWP") and
 6 direct price ("DP") which are utilized by the Medicare and
 7 Medicaid programs in establishing drug reimbursements to
 8 providers. The difference between the inflated representations of
 9 AWP and DP versus the true price providers are paying, is
 10 regularly referred to . . . as "the spread." The evidence . . . clearly
 11 shows that Abbott has intentionally reported inflated prices and has
 12 engaged in other improper business practices in order to cause its
 customers to receive windfall profits from Medicare and Medicaid
 when submitting claims for certain drugs. The evidence further
 reveals that Abbott manipulated prices for the express purpose of
 expanding sales and increasing market share of certain drugs. This
 was achieved by arranging financial benefits or inducements that
 influenced the decisions of health care providers submitting
 Medicare and Medicaid claims.

13 *See* October 31, 2000 letter from U.S. Rep. Pete Stark to Miles White, Chief Executive Officer
 14 of Abbott. (P007647-78).

15 **2. Abbott Controls the Published AWP for Its Products**

16 173. Abbott has controlled and set the AWP's for its pharmaceutical products through
 17 direct communications with industry compendia.

18 **3. Abbott's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors**

19 174. The purpose of Abbott's manipulation was to increase the spread in order to
 20 maximize the profit to providers and other intermediaries at the expense of co-payors and payors.
 21 For example, Abbott anticipated that the spread between AWP and cost would be eliminated by
 22 legislative changes in 1997. Accordingly, Abbott looked for ways to maximize the profit spread
 23 immediately and discussed how to do so with various customers.

24 175. Abbott also tried to maximize the spread because it understood that its customers
 25 routinely engaged in "spread shopping" – comparing Abbott's AWP's with those of its
 26

1 competitors in order to determine the greatest spread (and therefore sell or administer the drug
2 with the greatest spread).

3 176. Pricing information for Abbott demonstrates significant spreads of its drugs. For
4 example, in 1999 California paid \$0.1177 cents per unit of Sodium Chloride of 0.9% solution
5 (NDC 00074710123). The contract price or price at which this product was sold to a Group
6 Purchasing Organization (“GPO”) was \$0.0119 cents per unit. Medi-Cal paid 9.89 times more
7 for this product than did a GPO acting on behalf of its member doctors and/or pharmacists. The
8 reported DP for this product at the time was \$0.1177 cents per unit.

9 177. Documents produced by Defendant Abbott show that Abbott’s marketing
10 managers and representatives understood that their product would sell over their competitors
11 whenever their product as compared to competitors’ offered a higher spread between the actual
12 market price on the one hand and the AWP and the Medi-Cal reimbursement amount on the
13 other hand. Abbott’s marketing managers and representatives understood that a higher spread in
14 their product meant customers would make more money using their product

15 **4. Specific Abbott AWP’s Documented by the DOJ**

16 178. In a report published by the DHHS (the “DHHS Report”; PM Rev. AB-00-86,
17 “An Additional Source of Average Wholesale Price Data In Pricing Drugs and Biologicals
18 Covered by the Medicare Program,” Sept. 8, 2000), the DOJ documented at least 81 instances
19 where the published AWP’s for various dosages of 16 drugs manufactured by Abbott were
20 substantially higher than the actual prices listed by wholesalers. The chart below sets forth the
21 16 drugs identified by the DOJ and the spread associated with one particular dosage of each
22 drug. These figures compare the DOJ’s determination of an accurate AWP for that particular
23 dosage, based upon wholesalers’ price lists, with the AWP reported by Abbott in the 2001 *Red*
24 *Book*.

Drug	Abbott's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Acetylcysteine	\$35.87	\$21.90	\$13.97	64%
Acyclovir	\$1047.38	\$349.05	\$698.33	200%
Amikacin Sulfate	\$995.84	\$125.00	\$870.84	697%
Calcitriol (Calcijex)	\$1,390.66	\$1079.00	\$311.66	29%
Cimetidine Hydrochloride	\$214.34	\$35.00	\$179.34	512%
Clindamycin Phosphate	\$340.52	\$75.35	\$265.17	352%
Dextrose	\$239.97	\$3.91	\$236.06	6,037%
Dextrose Sodium Chloride	\$304.38	\$1.93	\$302.45	15,671%
Diazepam	\$28.50	\$2.03	\$26.47	1,304%
Furosemide	\$74.52	\$14.38	\$60.14	418%
Gentamicin Sulfate	\$64.42	\$.51	\$63.91	12,531%
Heparin Lock Flush	\$38.30	\$13.60	\$24.70	182%
Metholprednisolone Sodium Succinate	\$34.08	\$2.30	\$31.78	1,382%
Sodium Chloride	\$670.89	\$3.22	\$667.67	20,735%
Tobramycin Sulfate	\$150.52	\$2.94	\$147.58	5,020%
Vancomycin Hydrochloride	\$382.14	\$4.98	\$377.16	7,574%

(P006299-316).

5. Additional Evidence Concerning Vancomycin

179. At least one Publisher, *Medi-Span*, challenged the manner in which Abbott set its AWP's for vancomycin. The following statement appeared in a February 9, 1996 faxed letter to Abbott from a representative of *Medi-Span*:

It appears that the only difference between these two products listed is the vial it comes in. If it is, please let us know why the \$400 plus difference in AWP's?... [T]his customer claims he can get Vancomycin for \$6 or \$7 per vial DP as opposed to the \$52.94 and \$19.50 the Abbott Vancomycin cost.

(ABT AWP/MDL 001215).

180. The government investigation into Abbott's AWP for vancomycin identified:

prices that are routinely made available to many providers, but are far below Medicare reimbursement rates. They include 1999 prices for vancomycin, the Abbott Labs-manufactured antibiotic, which a health care provider could buy for \$76.00 but for which the AWP upon which Medicare's reimbursement was based on was \$261.84.

See September 25, 2000 letter from U.S. Rep. Tom Bliley to the Honorable Nancy-Ann Min DeParle, Administrator of the Health Care Financing Administration. (P007015-490).

181. For other doses of vancomycin, Abbott reported an AWP of \$68.77 as of April 2000. The DOJ adjusted it to \$8.14.

6. Additional Evidence for Amikacin

182. One published report states: “Amikacin, used to treat an infection that HIV+ people get and manufactured by Abbott, had an AWP of \$54.56. DOJ said the actual price was \$6.75.” *See States Mull Suit Against Drug Companies*, www.stateline.org (April 2, 2001) (P011268-70).

7. Inflated AWP From Abbott Price Lists

183. In response to government subpoenas, Abbott produced numerous price lists setting forth spreads between AWP and prices offered to wholesalers, providers and other intermediaries. A review of those price lists reveals that Abbott has consistently offered hundreds of its drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. To repeat every one of those drugs and the spread offered to each specific customer here is not practical. However, set forth below in Tables 1 and 2 are a number of those drugs (not already referenced above) with spreads in excess of 100% from two specific Abbott customers.

184. Table 1 is an analysis of certain dosages of Abbott drugs from a document entitled “2000 Manufacturer Listing of Pharmaceutical Awards – GeriMed.”

Table 1

Drug	Contract Price	AWP	\$ Diff AWP	% Spread
alcohol injection	30.30	78.98	48.68	160.66
aminosyn (amino acid)	36.48	125.10	88.62	242.93
aminocaproic acid	17.75	41.88	24.13	135.94
amphotericin b	4.65	10.94	6.29	135.27
atacurium besylate	104.80	217.75	112.95	107.78
bleomycin sulfate inj	95.00	305.78	210.78	221.87
bretylum tosylate	215.52	567.60	352.08	163.36
Marcaine (bupivacaine hcl)	13.40	32.01	18.61	138.88
AbboCath (catheter iv)	113.00	540.00	427.00	377.88

Drug	Contract Price	AWP	\$ Diff AWP	% Spread
Chromium TR Meta (chromic chloride)	12.00	30.00	18.00	150.00
Copper Trace (cupric chloride)	12.00	30.00	18.00	150.00
Dopamine	17.00	34.88	17.88	105.18
Doxorubicin hcl inj	62.50	151.25	88.75	142.00
Epinephrine	7.00	15.94	8.94	127.71
halothane inhalation anesthetic	269.94	708.75	438.81	162.56
irrigation set peritoneal dialysis	103.80	245.00	141.20	136.03
ketorolac tromethamine	29.50	87.38	57.88	196.20
lidocaine hcl inj	77.04	216.90	139.86	181.54
mangenes chloride	10.50	30.00	19.50	185.71
Mannitol	21.50	50.53	29.13	135.49
Carbocaine (mepivacaine)	4.67	11.34	6.67	142.83
metoclopramide inj	27.25	98.75	71.50	262.39
nalbuphine inj	5.10	11.38	6.28	123.14
Neostigmine methylsul inj	10.40	42.50	32.10	308.65
pancuronium bromide	32.63	170.94	138.31	423.87
Pentamidine isethionate inj	19.00	91.84	72.84	383.37
potassium acetate	11.50	40.00	28.50	247.83
Novocaine (procaine inj)	37.25	84.95	47.70	128.05
sodium acetate inj	12.00	42.50	30.50	254.17
vincristine inj	3.00	36.14	33.14	1104.67
water for injection bacteriostatic	6.50	13.44	6.94	106.77
zinc chloride inj	11.75	30.00	18.25	155.32

185. In addition, Abbott has inflated the AWP's for the following drugs, whose 1999 AWP as reported in the *Red Book* is set forth below, as is the spread between AWP and wholesale cost:

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
(AMINO ACIDS) Aminosyn (10%)	00074-2991-03	500 ml 12s	1,216.95	1,107.51	1012.0%
(AMINO ACIDS) Aminosyn (10%)	00074-2991-03	500 ml 12s	1,216.95	1,079.43	784.9%
(AMINO ACIDS) Aminosyn (10%)	00074-2991-05	1000 ml 6s	1,158.38	1,048.82	957.3%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(AMINO ACIDS) Aminosyn (10%)	00074-2991-05	1000 ml 6s	1,158.38	1,008.86	674.7%
(AMINO ACIDS) Aminosyn (8.5%)	00074-5855-03	500 ml 12s	1,065.90	968.34	992.6%
(AMINO ACIDS) Aminosyn (8.5%)	00074-5855-05	1000 ml 6s	1,066.33	946.63	790.8%
(AMINO ACIDS) Aminosyn (PH6, 10%)	00074-4360-05	1000 ml 6s	1,098.03	978.87	821.5%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 10%)	00074-1090-03	500 ml 12s	1,216.95	1,107.51	1012.0%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 10%)	00074-1090-03	500 ml 12s	1,216.95	1,079.43	784.9%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 10%)	00074-1090-05	1000 ml 6s	1,158.38	1,048.82	957.3%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 10%)	00074-1090-05	1000 ml 6s	1,158.38	1,021.76	747.9%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 10%, BULK)	00074-7121-07	2000 ml 6s	2,432.69	2,265.71	1356.9%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 15%, BULK)	00074-7122-07	2000 ml 6s	3,649.07	3,226.67	763.9%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 15%, BULK)	00074-7122-07	2000 ml 6s	3,649.07	3,215.39	741.4%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 8.5%)	00074-1088-03	500 ml 12s	1,065.90	983.34	1191.1%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 8.5%)	00074-1088-03	500 ml 12s	1,065.90	965.34	960.0%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 8.5%)	00074-1088-05	1000 ml 12s	1,066.33	976.51	1087.2%
(AMINO ACIDS) Aminosyn II (INJ, IJ, 8.5%)	00074-1088-05	1000 ml 12s	1,066.33	965.83	961.0%
(AMINO ACIDS) Aminosyn II W/ELECTROLYTE S (INJ, IJ)	00074-1089-03	500 ml 12s	1,055.78	932.66	757.5%
(AMINO ACIDS) Aminosyn W/ELECTROLYTE S (INJ, IJ)	00074-5852-03	500 ml 12s	1,058.92	895.60	548.4%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(AMINO ACIDS) Aminosyn W/ELECTROLYTE S (INJ, IJ)	00074-5856-03	500 ml 12s	1,119.34	999.94	837.5%
(AMINO ACIDS) Aminosyn W/ELECTROLYTE S (INJ, IJ)	00074-5856-03	500 ml 12s	1,119.34	991.66	776.7%
(AMINO ACIDS) Aminosyn W/ELECTROLYTE S (INJ, IJ)	00074-5856-05	1000 ml 6s	1,119.20	995.42	804.2%
(CALCITROL) Calcijex (INJ, IJ { AMP})	00074-1200-01	1 mcg/ml, 1 ml 100s	1,350.16	271.16	25.1%
(CALCITROL) Calcijex (INJ, IJ { AMP})	00074-1210-01	2 mcg/ml, 1 ml 100s	2,467.99	458.64	22.8%
(FAT EMULSION) Liposyn II (W/ADMIN SET, 10%)	00074-9786-03	500 ml	48.40	29.10	150.8%
(FAT EMULSION) Liposyn II (W/ADMIN SET, 10%)	00074-9786-03	500 ml	48.40	35.42	272.9%
(FAT EMULSION) Liposyn II (W/ADMIN SET, 10%)	00074-9789-03	500 ml	111.89	87.66	361.8%
(FAT EMULSION) Liposyn II (W/ADMIN SET, 10%)	00074-9789-03	500 ml	111.89	91.11	438.5%
(FAT EMULSION) Liposyn III (20%)	00074-9790-03	500 ml	73.85	53.99	271.9%
(FAT EMULSION) Liposyn III (VIAL, 20%)	00074-9791-03	500 ml	107.58	83.35	344.0%
(METHOTREXATE SODIUM SUCCINATE) A- Methapred (PDI, IJ { ADD- VANTAGE})	00074-5601-44	500 mg ea	34.66	25.26	268.7%
(METHOTREXATE SODIUM SUCCINATE) A- Methapred (PDI, IJ { UNIVIAL})	00074-5631-08	1 gm ea	34.66	17.91	106.9%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	(METHOTREXATE					
2	SODIUM					
3	SUCCINATE) A-					
4	Methapred (PDI, IJ	00074-5684-01	40 mg ea	3.40	1.10	47.8%
5	{UNIVIAL})					
6	(METHOTREXATE					
7	SODIUM					
8	SUCCINATE) A-	00074-5685-02	125 mg ea	9.01	5.66	169.0%
9	Methapred (PDI, IJ					
10	{UNIVIAL})					
11	Acetylcysteine	00074-3307-03	30ml 3s	34.16	12.26	56.0%
12	(SOL, IH, 10%)					
13	Acetylcysteine	00074-3308-03	30ml 3s	32.99	14.24	75.9%
14	(SOL, IH, 20%, 4ml)					
15	Acyclovir Sodium	00074-4427-01	500 mg, 10s	997.50	691.40	225.9%
16	(VIAL, FLIPTOP)					
17	Acyclovir Sodium	00074-4427-01	500 mg, 10s	1,995.00	1,603.00	408.9%
18	(VIAL, FLIPTOP)					
19	Acyclovir Sodium	00074-4452-01	1000 mg, 10s		-612.20	-100.0%
20	(VIAL, FLIPTOP)					
21	Acyclovir Sodium	00074-4452-01	1000 mg, 10s		-788.00	-100.0%
22	(VIAL, FLIPTOP)					
23	Amikacin Sulfate		250 mg/ml 2			
24	(Syringe)	00074-1958-01	ml 10 s	1,278.46	1,278.46	#DIV/0!
25	Amikacin Sulfate		50mg/ml, 2ml			
26	(Vial, Fliptop)	00074-1955-01	10s	948.46	823.46	658.8%
27	Amikacin Sulfate		250mg/ml,			
28	(Vial, Fliptop)	00074-1956-01	2ml 10s	1,154.73	1,004.73	669.8%
29	Amikacin Sulfate		250mg/ml,			
30	(Vial, Fliptop)	00074-1957-01	4ml 10s	2,350.71	2,030.71	634.6%
31	Amikacin Sulfate					
32	(Vial, Fliptop)	00074-3212-02	50ml ea	1,175.35	1,175.35	#DIV/0!
33	Cimetidine					
34	Hydrochloride					
35	(ADD-VANTAGE,					
36	150 mg/ml)	00074-7446-02	2 ml 25s	204.25	169.25	483.6%
37	Cimetidine					
38	Hydrochloride (INJ,					
39	IJ {VAIL,					
40	FLIPTOP}), 150					
41	mg/ml, 2 mg/ml)	00074-7444-01	2 ml 10s	86.69	73.19	542.1%
42	Cimetidine					
43	Hydrochloride (INJ,					
44	IJ {VAIL,					
45	FLIPTOP}), 150					
46	mg/ml, 2 mg/ml)	00074-7444-01	2 ml 10s	86.69	76.69	766.9%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Cimetidine					
2	Hydrochloride (INJ,					
3	IJ {VAIL,					
4	FLIPTOP}), 150					
5	mg/ml, 2 mg/ml)	00074-7444-01	2 ml 10s	86.69	72.19	497.9%
6	Cimetidine					
7	Hydrochloride (INJ,					
8	IJ {VAIL,					
9	FLIPTOP}), 150					
10	mg/ml, 2 mg/ml)	00074-7444-01	2 ml 10s	86.69	76.09	717.8%
11	Cimetidine					
12	Hydrochloride					
13	(VIAL-FLIPTOP,					
14	150 mg/ml)	00074-7445-01	8 ml 10s	210.31	177.81	547.1%
15	Cimetidine					
16	Hydrochloride					
17	(VIAL-FLIPTOP,					
18	150 mg/ml)	00074-7445-01	8 ml 10s	210.31	182.31	651.1%
19	Cimetidine					
20	Hydrochloride					
21	(VIAL-FLIPTOP,					
22	150 mg/ml)	00074-7445-01	8 ml 10s	210.31	178.81	567.7%
23	Cimetidine					
24	Hydrochloride					
25	(VIAL-FLIPTOP,					
26	300 mg/50ml)	00074-7447-16	50 ml 48(s?)	1,254.00	1,134.00	945.0%
1	Clindamycin					
2	Phosphate (Vial,					
3	Flitop, 150mg/ml)	00074-4050-01	2 ml 25s	324.19	248.84	330.2%
4	Clindamycin					
5	Phosphate (Vial,					
6	Flitop, 150mg/ml)	00074-4051-01	4 ml 25s	593.75	419.75	241.2%
7	Dextrose (INJ, IJ,					
8	{50/150 ML PART					
9	FILL}))	00074-1523-01	5%, 50 ml	19.05	15.24	400.0%
10	Dextrose (INJ, IJ,					
11	{50/150 ML PART					
12	FILL}))	00074-1523-01	5%, 50 ml	19.05	15.05	376.3%
13	Dextrose (INJ, IJ,					
14	{ADD-VANTAGE,					
15	LIFECARE}))	00074-7100-13	5%, 50 ml	13.31	10.03	305.8%
16	Dextrose (INJ, IJ,					
17	{ADD-VANTAGE,					
18	LIFECARE}))	00074-7100-13	5%, 50 ml	13.31	10.15	321.2%
19	Dextrose (INJ, IJ,					
20	{ADD-VANTAGE,					
21	LIFECARE}))	00074-7100-23	5%, 100 ml	13.31	10.03	305.8%
22	Dextrose (INJ, IJ,					
23	{ADD-VANTAGE,					
24	LIFECARE}))	00074-7100-23	5%, 100 ml	13.31	10.15	321.2%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Dextrose (INJ, IJ,					
2	{ADD-					
3	VANTAGE})	00074-7100-02	5%, 250 ml	16.14	11.90	280.7%
4	Dextrose (INJ, IJ,					
5	{ADD-	00074-7100-02	5%, 250 ml	16.14	12.14	303.5%
6	VANTAGE})					
7	Dextrose (INJ, IJ,					
8	{LIFECARE/PLAS	00074-1522-03	5%, 500 ml	11.89	7.89	197.3%
9	TIC})					
10	Dextrose (INJ, IJ,	00074-1522-03	5%, 500 ml	11.89	8.29	230.3%
11	{LIFECARE/PLAS					
12	TIC})	00074-7922-02	5%, 250 ml	11.25	10.01	807.3%
13	Dextrose (INJ, IJ,					
14	{LIFECARE/PLAS	00074-7922-02	5%, 250 ml	11.25	9.60	581.8%
15	TIC})					
16	Dextrose (INJ, IJ,	00074-7922-02	5%, 250 ml	11.25	9.65	603.1%
17	{LIFECARE/PLAS					
18	TIC})	00074-7922-02	5%, 250 ml	11.25	9.45	525.0%
19	Dextrose (INJ, IJ,					
20	{LIFECARE/PLAS	00074-7922-02	5%, 250 ml	11.25	9.83	692.3%
21	TIC})					
22	Dextrose (INJ, IJ,	00074-7922-03	5%, 500 ml	11.25	9.75	650.0%
23	{LIFECARE/PLAS					
24	TIC})	00074-7922-03	5%, 500 ml	11.25	9.70	625.8%
25	Dextrose (INJ, IJ,					
26	{LIFECARE/PLAS	00074-7922-03	5%, 500 ml	11.25	9.50	542.9%
	TIC})					
	Dextrose (INJ, IJ,	00074-7922-03	5%, 500 ml	11.25	9.45	525.0%
	{LIFECARE/PLAS					
	TIC})	00074-7922-03	5%, 500 ml	11.25	9.79	670.5%
	Dextrose (INJ, IJ,					
	{LIFECARE/PLAS	00074-7922-09	5%, 1000 ml	13.15	11.74	832.6%
	TIC})					
	Dextrose (INJ, IJ,	00074-7922-09	5%, 1000 ml	13.15	10.05	324.2%
	{LIFECARE/PLAS					
	TIC})					

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Dextrose (INJ, IJ, {LIFECARE/PLAS					
2	TIC))	00074-7922-09	5%, 1000 ml	13.15	10.55	405.8%
3	Dextrose (INJ, IJ, {LIFECARE/PLAS					
4	TIC))	00074-7922-09	5%, 1000 ml	13.15	11.04	523.2%
5	Dextrose (INJ, IJ, {LIFECARE/PLAS					
6	TIC))	00074-7922-09	5%, 1000 ml	13.15	10.69	434.6%
7	Dextrose (INJ, IJ, {LIFECARE/PLAS					
8	TIC)) 1000 ML					
9	CONTAINER	00074-1518-05	1000 ml	34.20	19.66	135.2%
10	Dextrose (INJ, IJ, {LIFECARE/PLAS					
11	TIC)) 1000 ML					
12	CONTAINER	00074-1519-05	70%, 1000 ml	42.37	24.38	135.5%
13	Dextrose (INJ, IJ, {LIFECARE/PLAS					
14	TIC)) 1000 ML					
15	CONTAINER	00074-1519-05	70%, 1000 ml	42.37	32.95	349.8%
16	Dextrose (INJ, IJ, {LIFECARE/PLAS					
17	TIC)) 1000 ML					
18	CONTAINER	00074-1536-03	500 ml	23.97	14.78	160.8%
19	Dextrose (INJ, IJ, {LIFECARE/PLAS					
20	TIC)) 1000 ML					
21	CONTAINER	00074-5645-25	50%, 500 ml	35.45	31.76	860.7%
22	Dextrose (INJ, IJ, {LIFECARE/PLAS					
23	TIC)) 1000 ML					
24	CONTAINER	00074-5647-25	70%, 500 ml	44.09	39.83	935.0%
25	Dextrose (INJ, IJ, {LIFECARE/PLAS					
26	TIC)) 1000 ML					
	CONTAINER	00074-7918-19	70%, 500 ml	53.32	46.57	689.9%
	Dextrose (INJ, IJ, {LIFECARE/PLAS					
	TIC)) 1000 ML					
	CONTAINER	00074-7918-19	70%, 500 ml	53.32	42.45	390.5%
	Dextrose (INJ, IJ, {LIFECARE/PLAS					
	TIC)) 1000 ML					
	CONTAINER	00074-7936-19	50%, 500 ml	42.86	37.43	689.3%
	Dextrose (INJ, IJ, {LIFECARE/PLAS					
	TIC)) 1000 ML					
	CONTAINER	00074-7936-19	50%, 500 ml	42.86	34.12	390.4%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Dextrose (INJ, IJ, {LIFECARE/PLAS					
2	TIC)) 2000 ML					
3	CONTAINER	00074-7936-17	50%, 1000 ml	80.56	71.94	834.6%
4	Dextrose (INJ, IJ, {LIFECARE/PLAS					
5	TIC)) 2000 ML					
6	CONTAINER	00074-7936-17	50%, 1000 ml	80.56	66.71	481.7%
7	Dextrose (INJ, IJ, {LIFECARE/PLAS					
8	TIC), BULK					
9	PACKAGE)	00074-7120-07	70%, 2000 ml	75.82	64.99	600.1%
10	Dextrose (INJ, IJ, {LIFECARE/PLAS					
11	TIC), BULK					
12	PACKAGE)	00074-7120-07	70%, 2000 ml	75.82	59.46	363.4%
13	Dextrose (INJ, IJ, {LIFECARE})	00074-1522-02	5%, 250 ml	11.88	8.25	227.3%
14	Dextrose (INJ, IJ, {LIFECARE})	00074-7922-61	5%, 150 ml	11.24	10.14	921.8%
15	Dextrose (INJ, IJ, {LIFECARE})	00074-7922-61	5%, 150 ml	11.24	9.84	702.9%
16	Dextrose (INJ, IJ, {LIFECARE})	00074-7922-61	5%, 150 ml	11.24	9.64	602.5%
17	Dextrose (INJ, IJ, {LIFECARE})	00074-7922-61	5%, 150 ml	11.24	9.44	524.4%
18	Dextrose (INJ, IJ, {LIFECARE})	00074-7922-61	5%, 150 ml	11.24	9.85	708.6%
19	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-36	5%, 50 ml	11.86	10.62	856.5%
20	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-36	5%, 50 ml	11.86	10.56	812.3%
21	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-36	5%, 50 ml	11.86	10.31	665.2%
22	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-36	5%, 50 ml	11.86	9.93	514.5%
23	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-37	5%, 100 ml	11.86	10.62	856.5%
24	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-37	5%, 100 ml	11.86	10.56	812.3%
25	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-37	5%, 100 ml	11.86	10.31	665.2%
26	Dextrose (INJ, IJ, {LIFECARE})	00074-7923-37	5%, 100 ml	11.86	9.93	514.5%
	Dextrose W/Sodium Chloride	00074-7926-02	5%-0.45%, 250 ml	12.07	10.14	525.4%
	Dextrose W/Sodium Chloride	00074-7926-02	5%-0.45%, 250 ml	12.07	10.07	503.5%
	Dextrose W/Sodium Chloride	00074-7926-02	5%-0.45%, 250 ml	12.07	10.59	715.5%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1						
2	Dextrose W/Sodium		5%-0.45%,			
3	Chloride	00074-7926-03	500 ml	12.07	10.14	525.4%
4	Dextrose W/Sodium		5%-0.45%,			
5	Chloride	00074-7926-03	500 ml	12.07	9.97	474.8%
6	Dextrose W/Sodium		5%-0.45%,			
7	Chloride	00074-7926-03	500 ml	12.07	10.10	512.7%
8	Dextrose W/Sodium		5%-0.45%,			
9	Chloride	00074-7926-03	500 ml	12.07	10.07	503.5%
10	Dextrose W/Sodium		5%-0.45%,			
11	Chloride	00074-7926-03	500 ml	12.07	10.29	578.1%
12	Dextrose W/Sodium		5%-0.45%,			
13	Chloride	00074-7926-09	1000 ml	14.36	12.11	538.2%
14	Dextrose W/Sodium		5%-0.45%,			
15	Chloride	00074-7926-09	1000 ml	14.36	11.16	348.8%
16	Dextrose W/Sodium		5%-0.45%,			
17	Chloride	00074-7926-09	1000 ml	14.36	11.42	388.4%
18	Dextrose W/Sodium		5%-0.45%,			
19	Chloride	00074-7926-09	1000 ml	14.36	12.11	538.2%
20	Dextrose W/Sodium		5%-0.45%,			
21	Chloride	00074-7926-09	1000 ml	14.36	11.69	437.8%
22	Dextrose W/Sodium		5%-0.9%, 250			
23	Chloride	00074-7941-02	ml	12.07	10.14	525.4%
24	Dextrose W/Sodium		5%-0.9%, 500			
25	Chloride	00074-7941-03	ml	12.07	10.14	525.4%
26	Dextrose W/Sodium		5%-0.9%, 500			
27	Chloride	00074-7941-03	ml	12.07	9.97	474.8%
28	Dextrose W/Sodium		5%-0.9%, 500			
29	Chloride	00074-7941-03	ml	12.07	10.46	649.7%
30	Dextrose W/Sodium		5%-0.9%, 500			
31	Chloride	00074-7941-03	ml	12.07	10.07	503.5%
32	Dextrose W/Sodium		5%-0.9%, 500			
33	Chloride	00074-7941-03	ml	12.07	10.48	659.1%
34	Dextrose W/Sodium		5%-0.9%, 500			
35	Chloride	00074-7941-09	ml	14.35	12.99	955.1%
36	Dextrose W/Sodium		5%-0.9%, 500			
37	Chloride	00074-7941-09	ml	14.35	11.30	370.5%
38	Dextrose W/Sodium		5%-0.9%, 500			
39	Chloride	00074-7941-09	ml	14.35	12.47	663.3%
40	Dextrose W/Sodium		5%-0.9%, 500			
41	Chloride	00074-7941-09	ml	14.35	12.10	537.8%
42	Dextrose W/Sodium		5%-0.9%, 500			
43	Chloride	00074-7941-09	ml	14.35	11.70	441.5%
44	Diazepam (INJ, IJ		5 mg/ml, 2			
45	{AMP})	00074-3210-32	ml, ea C-IV	1.91	0.42	28.2%
46	Diazepam (INJ, IJ		5 mg/ml, 2			
47	{AMP})	00074-3210-32	ml, ea C-IV	1.91	0.42	28.2%
48	Diazepam (INJ, IJ		5 mg/ml, 2			
49	{CARPUJECT		ml, ea C-IV			
50	LUER LOCK})	00074-1273-32	ml, ea C-IV	2.72	0.69	34.0%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1						
2	Diazepam (INJ, IJ					
3	{CARPUJECT,		5 mg/ml, 2			
	22GX1-1/4" })	00074-1273-02	ml, ea C-IV	2.50	0.63	33.7%
4	Diazepam (INJ, IJ					
	{CARPUJECT,		5 mg/ml, 2			
5	22GX1-1/4" })	00074-1273-02	ml, ea C-IV	2.50	0.13	5.5%
6	Diazepam (INJ, IJ		5 mg/ml, 10			
	{VIAL, FLIPTOP})	00074-3213-01	ml, ea C-IV	3.80	0.25	7.0%
7	Diazepam (INJ, IJ		5 mg/ml, 10			
	{VIAL, FLIPTOP})	00074-3213-01	ml, ea C-IV	3.80	2.36	163.9%
8	Furosemide (INJ, IJ					
	{VIAL,		10 mg/ml, 2			
9	P.F.,FLIPTOP})	00074-6102-02	ml 25s	70.95	58.31	461.3%
10	Furosemide (INJ, IJ					
	{VIAL,		10 mg/ml, 2			
11	P.F.,FLIPTOP})	00074-6102-02	ml 25s	70.95	55.45	357.7%
12	Furosemide (INJ, IJ					
	{VIAL,		10 mg/ml, 2			
13	P.F.,FLIPTOP})	00074-6102-02	ml 25s	70.95	55.95	373.0%
14	Furosemide (INJ, IJ					
	{VIAL,		10 mg/ml, 4			
15	P.F.,FLIPTOP})	00074-6102-04	ml 25s	122.02	104.87	611.5%
16	Furosemide (INJ, IJ					
	{VIAL,		10 mg/ml, 4			
17	P.F.,FLIPTOP})	00074-6102-04	ml 25s	122.02	97.75	402.8%
18	Furosemide (INJ, IJ					
	{VIAL,		10 mg/ml, 4			
19	P.F.,FLIPTOP})	00074-6102-04	ml 25s	122.02	99.52	442.3%
20	Gentamicin Sulfate					
	(Vial, Fliptop)	00074-1207-03	40 mg/ml, 2	2.46	2.00	434.8%
21	Gentamicin Sulfate					
	(Vial, Fliptop)	00074-1207-03	40 mg/ml, 2	2.46	1.84	296.8%
22	Gentamicin Sulfate					
	(Vial, Fliptop)	00074-1207-03	40 mg/ml, 2	2.46	2.06	515.0%
23	Gentamicin Sulfate					
	(Vial, Fliptop)	00074-1207-03	40 mg/ml, 2	2.46	1.90	339.3%
24	Heparin Lock Flush					
	(INJ, IJ {VIAL,		10 u/ml, 10			
25	FLIPTOP})	00074-1151-70	ml 25 s	38.30	22.35	140.1%
26	Heparin Lock Flush					
	(INJ, IJ {VIAL,		10 u/ml, 10			
	FLIPTOP})	00074-1151-70	ml 25 s	38.30	27.05	240.4%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1						
2	Heparin Lock Flush					
3	(INJ, IJ {VIAL, FLIPTOP})	00074-1152-70	100 u/ml, 10 ml 25 s	43.64	29.64	211.7%
4	Heparin Lock Flush					
5	(INJ, IJ {VIAL, FLIPTOP})	00074-1152-70	100 u/ml, 10 ml 25 s	43.64	29.69	212.8%
6	Heparin Lock Flush					
7	(INJ, IJ {VIAL, FLIPTOP})	00074-1152-70	100 u/ml, 10 ml 25 s	43.64	29.89	217.4%
8	Heparin Lock Flush					
9	(INJ, IJ {VIAL, FLIPTOP})	00074-1152-78	100 u/ml, 30 ml 25 s	100.94	82.44	445.6%
10	Heparin Lock Flush					
11	(INJ, IJ {VIAL, FLIPTOP})	00074-1152-78	100 u/ml, 30 ml 25 s	100.94	79.99	381.8%
12	Heparin Lock Flush					
13	(INJ, IJ {VIAL, FLIPTOP})	00074-1152-78	100 u/ml, 30 ml 25 s	100.94	77.19	325.0%
14	Leucovorin Calcium					
15	(INJ, IJ {VIAL, FLIPTOP 30 ML})	00074-4541-04	10 mg/ml, 25 ml	24.94	15.04	151.9%
16	Leucovorin Calcium					
17	(INJ, IJ {VIAL, FLIPTOP 30 ML})	00074-4541-04	10 mg/ml, 25 ml	24.94	14.94	149.4%
18	Leucovorin Calcium					
19	(INJ, IJ {VIAL, FLIPTOP 30 ML})	00074-4541-04	10 mg/ml, 25 ml	24.94	17.44	232.5%
20	Leucovorin Calcium					
21	(INJ, IJ {VIAL, FLIPTOP})	00074-4541-02	10 mg/ml, 10 ml	9.98	6.03	152.7%
22	Leucovorin Calcium					
23	(INJ, IJ {VIAL, FLIPTOP})	00074-4541-02	10 mg/ml, 10 ml	9.98	5.98	149.5%
24	Leucovorin Calcium					
25	(INJ, IJ {VIAL, FLIPTOP})	00074-4541-02	10 mg/ml, 10 ml	9.98	6.38	177.2%
26	Sodium Chloride					
	(ADD-VANT, LIFECARE P.F.)	00074-7101-13	0.9%, 50 ml	13.31	10.15	321.2%
	Sodium Chloride					
	(ADD-VANT, LIFECARE P.F.)	00074-7101-13	0.9%, 50 ml	13.31	10.03	305.8%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1						
2	Sodium Chloride					
3	(ADD-VANT, LIFECARE P.F.)	00074-7101-23	0.9%, 100 ml	13.31	10.15	321.2%
4	Sodium Chloride					
5	(ADD-VANT, LIFECARE P.F.)	00074-7101-23	0.9%, 100 ml	13.31	10.03	305.8%
6	Sodium Chloride					
7	(ADD-VANT, LIFECARE)	00074-7101-02	0.9%, 250 ml	16.14	12.14	303.5%
8	Sodium Chloride					
9	(ADD-VANT, LIFECARE)	00074-7101-02	0.9%, 250 ml	16.14	11.77	269.3%
10	Sodium Chloride					
11	(ADD-VANT, LIFECARE)	00074-7984-36	0.9%, 50 ml	11.86	9.93	514.5%
12	Sodium Chloride					
13	(ADD-VANT, LIFECARE)	00074-7984-36	0.9%, 50 ml	11.86	10.62	856.5%
14	Sodium Chloride					
15	(ADD-VANT, LIFECARE)	00074-7984-36	0.9%, 50 ml	11.86	10.31	665.2%
16	Sodium Chloride					
17	(ADD-VANT, LIFECARE)	00074-7984-36	0.9%, 50 ml	11.86	10.56	812.3%
18	Sodium Chloride					
19	(ADD-VANT, LIFECARE)	00074-7984-37	0.9%, 100 ml	11.86	9.93	514.5%
20	Sodium Chloride					
21	(ADD-VANT, LIFECARE)	00074-7984-37	0.9%, 100 ml	11.86	10.62	856.5%
22	Sodium Chloride					
23	(ADD-VANT, LIFECARE)	00074-7984-37	0.9%, 100 ml	11.86	10.31	665.2%
24	Sodium Chloride					
25	(ADD-VANT, LIFECARE)	00074-7984-37	0.9%, 100 ml	11.86	10.56	812.3%
26	Sodium Chloride					
	(LIFECARE, PLASTIC CONT)	00074-7983-03	0.9%, 500 ml	11.05	9.30	531.4%
	Sodium Chloride					
	(LIFECARE, PLASTIC CONT)	00074-7983-03	0.9%, 500 ml	11.05	9.50	612.9%
	Sodium Chloride					
	(LIFECARE, PLASTIC CONT)	00074-7983-03	0.9%, 500 ml	11.05	10.03	983.3%
	Sodium Chloride					
	(LIFECARE, PLASTIC CONT)	00074-7983-03	0.9%, 500 ml	11.05	9.33	542.4%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Sodium Chloride					
2	(LIFECARE,					
3	PLASTIC CONT)	00074-7983-09	0.9%, 1000 ml	12.00	9.40	361.5%
4	Sodium Chloride					
5	(LIFECARE,	00074-7983-09	0.9%, 1000 ml	12.00	9.37	356.3%
6	PLASTIC CONT)	00074-7983-09	0.9%, 1000 ml	12.00	10.98	1076.5%
7	Sodium Chloride					
8	(LIFECARE,	00074-7983-09	0.9%, 1000 ml	12.00	9.58	395.9%
9	PLASTIC)	00074-1583-02	0.9%, 250 ml	11.75	8.35	245.6%
10	Sodium Chloride					
11	(LIFECARE,	00074-1583-02	0.9%, 250 ml	11.75	10.15	634.4%
12	PLASTIC)	00074-1583-02	0.9%, 250 ml	11.75	10.42	783.5%
13	Sodium Chloride					
14	(LIFECARE,	00074-1583-02	0.9%, 250 ml	11.75	10.31	716.0%
15	PLASTIC)	00074-7983-02	0.9%, 250 ml	11.05	9.40	569.7%
16	Sodium Chloride					
17	(LIFECARE,	00074-7983-02	0.9%, 250 ml	11.05	9.59	656.8%
18	PLASTIC)	00074-7983-02	0.9%, 250 ml	11.05	9.93	886.6%
19	Sodium Chloride					
20	(LIFECARE,	00074-7983-61	0.9%, 150 ml	11.05	9.65	689.3%
21	PLASTIC)	00074-7983-61	0.9%, 150 ml	11.05	9.69	712.5%
22	Sodium Chloride					
23	(LIFECARE,	00074-7983-61	0.9%, 150 ml	11.05	9.45	590.6%
24	Tobramycin Sulfate					
25	(INJ, IJ {Vial					
26	Fliptop}))	00074-3577-01	10 mg/ml, 2 ml	5.73	2.79	94.9%
	Tobramycin Sulfate					
	(SRN)	00074-3583-01	40 mg/ml, 2 ml	12.35	6.51	111.5%
	Tobramycin Sulfate					
	(Vial Fliptop)	00074-3578-01	40 mg/ml, 2 ml	11.37	6.38	127.9%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Tobramycin Sulfate		40 mg/ml, 50			
2	(Vial, Bulk)	00074-3590-02	ml	284.51	180.87	174.5%
3	Vancomycin					
4	Hydrochloride (PDI,					
5	IJ {ADD-	00074-6534-01	500 mg 10s ea	13.10	9.50	263.9%
6	VANTAGE})					
7	Vancomycin	00074-6534-01	500 mg 10s ea	13.10	7.30	125.9%
8	Hydrochloride (PDI,					
9	IJ {ADD-	00074-6534-01	500 mg 10s ea	13.10	7.23	123.2%
10	VANTAGE})					
11	Vancomycin	00074-6509-01	5 gm ea	163.72	127.72	354.8%
12	Hydrochloride (PDI,					
13	IJ {BULK VIAL})	00074-6509-01	5 gm ea	163.72	119.86	273.3%
14	Vancomycin					
15	Hydrochloride (PDI,					
16	IJ {VIAL,	00074-4332-01	500 mg 10s ea	36.40	32.65	870.7%
17	FLIPTOP})					
18	Vancomycin	00074-4332-01	500 mg 10s ea	36.40	33.15	1020.0%
19	Hydrochloride (PDI,					
20	IJ {VIAL,	00074-4332-01	500 mg 10s ea	36.40	29.30	412.7%
21	FLIPTOP})					
22	Vancomycin	00074-4332-01	500 mg 10s ea	36.40	29.50	427.5%
23	Hydrochloride (PDI,					
24	IJ {VIAL,	00074-4332-01	500 mg 10s ea	36.40	32.48	828.6%
25	FLIPTOP})					
26	Vancomycin	00074-6533-01	1 gm 10s ea	72.78	65.18	857.6%
	Hydrochloride (PDI,					
	IJ {VIAL,	00074-6533-01	1 gm 10s ea	72.78	61.56	548.7%
	FLIPTOP})					

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
Vancomycin Hydrochloride (PDI, IJ {VIAL, FLIPTOP})	00074-6535-01	1 gm 10s ea	26.18	18.78	253.8%
Vancomycin Hydrochloride (PDI, IJ {VIAL, FLIPTOP})	00074-6535-01	1 gm 10s ea	26.18	13.28	102.9%
Vancomycin Hydrochloride (PDI, IJ {VIAL, FLIPTOP})	00074-6535-01	1 gm 10s ea	26.18	12.00	84.6%
Lorazepam (INJ, IJ {HYPAK SYRINGE})	00074-6776-01	2 mg/ml, 1 ml, C-IV	12.87	9.27	257.5%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-1539-10	4 mg/ml, 10 ml, C-IV	89.87	59.87	199.6%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6778-01	2 mg/ml, 1 ml, C-IV	11.45	8.45	281.7%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6778-01	2 mg/ml, 1 ml, C-IV	11.45	8.50	288.1%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6779-01	4 mg/ml, 1 ml, C-IV	12.87	9.07	238.7%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6780-01	2 mg/ml, 10 ml, C-IV	85.78	59.23	223.1%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6780-01	2 mg/ml, 10 ml, C-IV	85.78	58.58	215.4%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6780-01	2 mg/ml, 10 ml, C-IV	85.78	66.28	339.9%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6781-01	4 mg/ml, 10 ml, C-IV	114.38	84.38	281.3%
Lorazepam (INJ, IJ {VIAL, FLIPTOP})	00074-6781-01	4 mg/ml, 10 ml, C-IV	114.38	86.88	315.9%
Lorazepam (INJ, IJ {VIAL})	00074-1539-01	4 mg/ml, 1 ml, C-IV	10.18	6.38	167.9%
Lorazepam (INJ, IJ {VIAL})	00074-1985-01	2 mg/ml, 1 ml, C-IV	9.82	6.82	227.3%
Lorazepam (INJ, IJ {VIAL})	00074-1985-10	2 mg/ml, 10 ml, C-IV	86.81	60.98	236.1%

186. Other examples of the AWP-ACC spread on Abbott drugs are as follows:

DEFENDANT ABBOTT'S SUBJECT PHARMACEUTICAL PRODUCTS (WITH SPREAD CALCULATIONS)		
Drug	NDC#	Spread Price
Sodium Chloride 0.9% 50 ml	00074-7101-13	1,083%
Sodium Chloride 0.9% 100 ml	00074-7101-23	1,083%
Sodium Chloride 0.9% 250 ml	00074-7983-02	1,198%
Sodium Chloride 0.9% 500 ml	00074-7983-03	790%
Sodium Chloride 0.9% 1000 ml	00074-7983-09	793%
5% Dextrose in Water 50 ml	00074-7100-13	1,082%
5% Dextrose in Water 100 ml	00074-7100-23	1,083%
5% Dextrose in Water 250 ml	00074-7100-02	827%
5% Dextrose in Water 500 ml	00074-7922-03	848%
5% Dextrose in Water 1000 ml	00074-7922-09	793%
5% Dextrose/ NaCl 0.9% 250 ml	00074-7941-02	796%
5% Dextrose/ NaCl 0.9% 500 ml	00074-7941-03	798%
5% Dextrose/ NaCl 0.9% 1000 ml	00074-7941-09	652%
Ringers Lactate 250 ml	00074-7953-02	847%
Ringers Lactate 500 ml	00074-7953-03	844%
Ringers Lactate 1000 ml	00074-7953-09	909%
Vancomycin HCL 500 mg	00074-4332-01	692%
Vancomycin HCL 1 gm	00074-6535-01	752%
Vancomycin HCL 1 gm	00074-6533-01	599%

DEFENDANT ABBOTT'S SUBJECT PHARMACEUTICAL PRODUCTS (WITH SPREAD CALCULATIONS)		
Drug	NDC#	Spread Price
Vancomycin HCL 5 gm	00074-6509-01	256%
Tobramycin Sulfate 20 mg	00074-3577-01	125%
Tobramycin Sulfate 40 mg/ml 1 ml Syr	00074-3582-01	128%
Tobramycin Sulfate 60 mg/50 ml	00074-3469-13	140%
Tobramycin Sulfate 60 mg/6 ml	00074-3254-03	117%
Tobramycin Sulfate 80 mg	00074-3470-23	133%
Tobramycin Sulfate 80 mg	00074-3583-01	129%
Tobramycin Sulfate 80 mg	00074-3578-01	139%
Tobramycin Sulfate 80 mg	00074-3255-03	123%
Pentamidine 300 mg	00074-4548-01	134%
Clindamycin Phosphate 300 mg	00074-4053-03	448%
Clindamycin Phosphate 300 mg	00074-4050-01	543%
Clindamycin Phosphate 600 mg	00074-4054-03	494%
Clindamycin Phosphate 600 mg	00074-4051-01	544%
Clindamycin Phosphate 900 mg	00074-4197-01	515%
Clindamycin Phosphate 900 mg	00074-4055-03	577%
Sodium Bicarbonate 50 ml	00074-6625-02	855%
Amikacin Sulfate 500 mg, 2 ml	00074-1958-01	530%
Amikacin Sulfate 100 mg, 2 ml	00074-1955-01	530%

DEFENDANT ABBOTT'S SUBJECT PHARMACEUTICAL PRODUCTS (WITH SPREAD CALCULATIONS)		
Drug	NDC#	Spread Price
Amikacin Sulfate 1 gm, 4 ml	00074-1957-01	530%
Heparin Lock Flush 10u/ml, 30 ml	00074-1151-78	579%
Heparin Lock Flush 100u/ml, 30 ml	00074-1152-78	568%
Heparin Lock Flush 100u/ml, 10 ml	00074-1152-70	354%
Water for Injection 20 ml	00074-4887-20	574%
Water for Injection 20 ml	00074-4887-10	553%
Water for Injection 20 ml	00074-3977-03	725%
Water for Injection 20 ml	00074-1590-05	803%
Water for Injection 20 ml	00074-7990-09	881%
Water for Injection 20 ml	00074-4887-99	992%
Dextrose 5%/KCl/NaCl 1000 ml	00074-7902-09	666%

187. As set forth above, Abbott's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

B. Amgen

1. The Drugs at Issue and Their Competitive Environment

188. Amgen engages in an organization-wide and deliberate scheme to inflate AWP's. Amgen has stated fraudulent AWP's for all or almost all of its drugs, including: Epogen (epoetin

1 alfa for ESRD use),⁵ Neupogen (filgrastim), Aranesp (darbepoetin alfa), Enbrel (etanercept),
 2 Kineret (anakinra), and Neulasta (pegfilgrastim). The specific drugs of Amgen for which relief is
 3 sought in this case are set forth in Appendix A and/or are set forth below and the Amended
 4 Complaint includes all NDCs for these drugs:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
AMGEN	Aranesp	darbepoetin alfa albumin	Antianemic Agent; Blood Modifier Used in the treatment of anemia associated with chronic renal failure and/or chemotherapy
	Enbrel	etanercept	Antirheumatic Agent Used to reduce signs and symptoms of rheumatoid arthritis
	Epogen	epoetin alfa	Antianemic Agent; Blood Modifier Used in the treatment of anemia associated with chronic renal failure, chemotherapy and/or HIV-infected patients
	Kineret	anakinra	Antirheumatic Agent Used in the treatment of moderate to severe rheumatoid arthritis
	Neulasta	pegfilgrastim	Antineoplastic; Blood Modifier Used to decrease incidence of infection (neutropenia) in some cancer patients
	Neupogen	filgrastim	Antineoplastic; Blood Modifier Used to decrease incidence of infection (neutropenia) in some cancer and leukemia patients

18 189. Amgen introduced EPOGEN® (epoetin alfa) in 1989. EPOGEN® is indicated
 19 for the treatment of anemia in patients with chronic renal failure on dialysis. In 2001, Aranesp®
 20 (darbepoetin alfa), an erythropoietic protein with greater biological activity and a longer half-life
 21 than epoetin alfa, was approved for the treatment of anemia in patients with chronic renal
 22 insufficiency. In 2002, Aranesp® was also approved for the treatment of chemotherapy-induced
 23 anemia. By 2003, Aranesp had sales of \$283 million.

26 ⁵ In the Medicare Part B context, reimbursement for Epogen is not based on the AWP, but rather on a specific
 dollar amount set by statute. However non-Medicare Part B reimbursement for Epogen is based on AWP for many
 co-payors and payors.

1 190. NEUPOGEN® (filgrastim) was approved in 1991. NEUPOGEN® is indicated
 2 for decreasing the incidence of infection associated with chemotherapy-induced neutropenia in
 3 cancer patients with nonmyeloid malignancies. In 2002, Amgen introduced Neulasta®
 4 (pegfilgrastim), a longer-acting form of filgrastim approved for the same use but requiring only
 5 one injection per chemotherapy cycle.

6 191. Since its introduction, Aranesp has been locked into a knock-down competitive
 7 battle with Ortho Biotech's Procrit.

8 192. A review of their respective websites reveals that Amgen and Ortho are targeting
 9 the exact same type of patient with respect to use of Aranesp and Procrit. Amgen describes
 10 Aranesp on its website as follows:

11 That's where Aranesp® can help. Aranesp® stimulates natural
 12 production of red blood cells boosting the number of red blood
 13 cells in the body, which can increase the amount of oxygen in your
 14 blood and give you more energy. And since you will need fewer
 shots and doctor visits, you can begin to feel less like a patient and
 more like a person – and get back to being you again.

15 Aranesp® is available by prescription only. Aranesp® has been
 16 approved by the Food and Drug Administration to treat the anemia
 17 associated with chronic renal failure (renal disease) in people with
 reduced kidney function or on dialysis. People who have
 uncontrolled high blood pressure should not use Aranesp®.

18 193. Ortho promotes and describes Procrit on its website as follows:

19 PROCrit® (Epoetin alfa) is for the treatment of anemia in
 20 patients who have chronic kidney disease and are on dialysis.
 21 PROCrit has a proven safety record. Your doctor should
 carefully monitor your blood pressure and hemoglobin for rapid
 increases, which should be avoided. PROCrit is available by
 prescription only and is administered by your health care provider.

22 194. Thus, these two companies were targeting the exact same patients and have an
 23 incentive to compete based on the spread that they could offer physicians.

24 195. Amgen's Neupogen also competed with Immunex's Leukine prior to Amgen's
 25 acquisition of Immunex. Both of these drugs are Part B Covered Drugs and as set forth below
 26 this competitive landscape became a breeding ground for competition based on spread or

discounts off AWP. Competition also existed between Amgen's Remicade and Immunex's Embrel, which created a climate for using the spread between AWP and acquisition cost as an inducement to wholesalers and other providers.

2. Amgen's Definition and Understanding of AWP

196. Internally, Amgen defines AWP as "the common basis for reimbursement by payors. AWP may not necessarily reflect the actual purchase price" (Press Release, "Data from Study Shows Aranesp ...," Dec. 9, 2002 (www.amgen.com)) or "one of the factors used by Medicare to determine payment for drug charges."

3. Amgen Controls the Published AWP for Its Products

197. Amgen has controlled and set the AWP for its pharmaceutical products through direct communications with industry compendia.

4. Amgen Understands the Importance of Reimbursement Rates

198. Amgen was well aware that its customers' profits depended on reimbursement rates for drugs, and that Amgen's own sales and profits in turn depended on its customers' reimbursement payments and profits:

Our sales depend on payment and reimbursement from third-party payors, and a reduction in the payment rate or reimbursement rate could result in decreased sales of our products.

In both domestic and foreign markets, sales of our products are dependent, in part, on the availability of reimbursement from third-party payors ... ***we believe that sales of Aranesp and Neulasta are and will be affected by government and private payor reimbursement policies.*** ... If reimbursement for our marketed products changes adversely or if we fail to obtain adequate reimbursement for our other current or future products, health care providers may limit how much or under what circumstances they will administer them, which could reduce the use of our products or cause us to reduce the price of our products. This could result in lower product sales or revenues ...

(Amgen 2002 Form 10-K at 43-44) (emphasis added).

199. The foregoing references referring to "reimbursement policies" refers to policies that use AWP as the benchmark for reimbursement.

200. Amgen also made sure its sales representatives were focused on reimbursement and customer profit motives. A senior Amgen sales manager has publicly stated:

Reps need to understand the insurance system flawlessly. They need to understand the money trail in terms of how a drug gets reimbursed, who reimburses it, and coverage or policy limitations – those are fundamental questions.”

201. Part of that “understanding” was an explanation by Amgen sales representatives that was routinely made by sales representatives to physicians concerning profit that a physician could make by purchasing at a discount off AWP. With respect to, for example, Aranesp and Neupogen, Amgen sales representatives either handed out calculations showing the spread off of AWP that a provider could realize by using Amgen’s drugs, or orally reviewed such profits with physicians.

202. Amgen has also established a website (www.reimbursementconnection.com) to help providers with reimbursement issues, including information on how to calculate reimbursement for Amgen drugs and Sample Reimbursement Sheets detailing how much Medicare will pay for Amgen drugs. In addition, Amgen maintains a telephone Reimbursement Hotline for providers or their office staffs to call to get help with reimbursement questions.

203. Amgen actually promotes the use of AWP for reimbursement purposes on its website as follows:

Sample of Reimbursement Payments for Aranesp® Syringe/Vial Strengths

Syringe/Vial Strength	Average Wholesale Price (AWP) ^{1/2}	Medicare		
		85% of Medicare Allowable (AWP)	Payment ¹ (at 80%)	Secondary Insurer or Patient Co-Payment ² (at 20%)
J0880 – 25 mcg*	\$124.69	\$105.99	\$84.79	\$21.20
J0880 – 40 mcg*	\$199.50	\$169.58	\$135.66	\$33.92
J0880 – 60 mcg*	\$299.25	\$254.36	\$203.49	\$50.87
J0880 – 100 mcg*	\$498.75	\$423.94	\$339.15	\$84.79
J0880 – 150 mcg**	\$748.13	\$635.91	\$508.73	\$127.18

J0880 – 200 mcg*	\$997.50	\$847.88	\$678.30	\$169.58
J0880 – 300 mcg*	\$1,496.25	\$1,271.81	\$1,017.45	\$254.36
J0880 – 500 mcg†	\$2,493.80	\$2,119.73	\$1,695.78	\$423.95

¹As reported in *Drug Topics Red Book*®, February 2004.

²Most private insurers base reimbursements for drugs on a percentage above or below published AWP.

* These strengths are available in either Arenesp® SingleJect® prefilled syringes or vials.

† Available only in Aranesp® SingleJect® prefilled syringe.

** These strengths are available in vials only.

204. In the above table, Amgen recognizes the impact of an AWP-based price on a “secondary insurer” or Patient making a co-pay. Amgen thus promotes AWP all the while knowing that the posted AWP is artificially inflated as described.

5. Specific Examples of AWP Abuse

205. At all relevant times Amgen understood that reimbursement for its drugs was dependent upon AWP. Amgen set the AWP for its products in an arbitrary manner that rendered AWP to be a fictitious number in that it failed to account for rebates, volume discounts and other incentives provided to physicians and others purchasing Amgen drugs.

206. Both Procrit and Aranesp are Part B Covered Drugs, hence given the competition between the two, one clear way to increase market share was to increase the spread and hence the profit to providers. Indeed, at Aranesp’s launch to the oncology market, Amgen sales representatives had ready at their fingertips information concerning Aranesp’s AWP, the Medicare reimbursement amount, WAC, WAC minus discounts and the “profit” created by the spread between Medicare reimbursement and net acquisition cost.

207. It was intended by Amgen’s top sales executives that its sales force would use this “profit” as a basis for marketing Aranesp.

208. Examples of the improper use of AWP by Amgen are set forth below. For example, to increase its market share Amgen in 2003 offered Aranesp to customers with a rebate or discount of up to 30% off of the list price, which in itself is 20%-25% off of the published AWP. Thus, Amgen was offering spreads of 50% or more off of the published AWP on

1 Aranesp. These spreads are being offered while Amgen is promoting use of AWP on its own
2 website.

3 209. On or about July 18, 2003, Amgen extended this discount through July 15, 2004.
4 Thus, even in the face of this litigation, Amgen was offering substantial discounts which
5 rendered the reported AWP's inflated and without basis.

6 210. The spread on Aranesp was created at the time of its introduction, and Amgen has
7 published an AWP that created at times at least a 40% spread between the estimated cost to a
8 dispenser and AWP. Given the significant cost of Aranesp this is about \$300 per unit for most
9 NDCs. If a typical treatment involves two doses twice a month for a three-to-four-month period,
10 the cost of this spread is \$1800 - \$2400 per Patient. For a Medicare Patient this could increase
11 co-payments by \$360 - \$480.

12 211. The use of rebates and off-invoice discounts did not start in 2003 but occurred
13 shortly after Aranesp was introduced in 2002. The allegation is based on (a) the fact that the
14 competition between Amgen and Ortho existed before 2003, (b) that Ortho was heavily engaged
15 in its own conduct directed at marketing the spread and Amgen needed to respond in kind,
16 (c) Amgen was offering "introductory" discounts that inflated AWP, and (d) as noted above
17 Amgen sales representatives were armed with calculations showing the profit created by the
18 Aranesp spread. Ortho, at national sales meetings, authorized its sales and marketing
19 representatives to provide free samples as a means of lowering acquisition costs to providers.
20 Ortho also used inducements such as educational and promotional grants to win over clinics and
21 other providers and as credit memos which were inducements for a clinic or provider to use
22 Procrit exclusively. Amgen sales representatives learned of these efforts and reacted to them by
23 offering inducements of their own. These inducements included rebates based upon volume used
24 by the practitioner.

25 212. Amgen's efforts at using inflated AWP's to increase market share were successful
26 as Aranesp sales have steadily increased.

213. Amgen's AWP-related manipulation did not stop at Aranesp. Prior to its acquisition of Immunex, Amgen competed with Immunex with respect to its drug Neupogen and Immunex's Leukine. Documents produced by Immunex reveal that Immunex was marketing Leukine based on the spread, promoting its spread of \$80.60 per vial as an advantage over Amgen's \$51.61 spread per vial. At the time of this spread marketing by Immunex, Amgen published an AWP for Neupogen of roughly \$263.30, and was selling its product to doctors at \$201.16. This created a spread of 31% off of AWP which, given the high price of each vial, would have a substantial impact on co-payors and Third-Party Payors, and provided a handsome profit to providers.

214. Amgen's use of the spread did not go unnoticed by competitors. In an internal memorandum, employees of a competitor, Centecor, wrote in the context of "reimbursement issues" that doctors have a "fear of audit and not being perceived as infusing only for profit," *i.e.*, using infusion where other treatments were available, but noted that Amgen had no issues in encouraging oncologists to choose drugs based on the spread:

We need to do a stronger job up front driving home the patient benefit of PMP. One of the other reasons I see doctors hitting a point and not moving forward is fear of audit and not being perceived locally as infusing only for profit. An example of what goes on in other specialties might be of benefit – personally I would use an **Amgen** or Immunex oncology product and show the AWP versus payment. ***As you know these companies have been telling Rheums it is unethical to receive payment for prescribing an agent but have no problem promoting this concept to oncologists.*** We don't need to make this a big production—if you put the slide up with the product and company the attendees can connect the dots.

215. The foregoing e-mail is in effect competitor intelligence confirming that Amgen was marketing the spread on its products sold to oncologists, which include Aranesp, Neulasta and Neupogen.

216. Spreads created for Neupogen are set forth below for a 300ml dose. Not only are the spreads sizable, but reported AWP's increased faster than the real AWP, thus making the

reported AWP's in later years even more inflated. This increase in spread is the direct result of an effort to induce physicians to use Neupogen due to the increase in the spread:

<u>Year</u>	<u>Reported AWP</u>	<u>Real AWP</u>	<u>Spread in Dollars</u>	<u>Percentage</u>
1997	\$161.30	\$125.09	\$36.21	28
1998	\$165.30	\$130.02	\$35.28	27
1999	\$180.40	\$134.81	\$45.91	34
2000	\$188.50	\$140.49	\$39.88	28
2001	\$197.80	\$148.62	\$49.18	33
2002	\$207.50	\$149.60	\$57.90	38

217. Spreads for the 10,000 u/ml ten pack for Epogen were historically approximately 33%, but beginning in January 2000 Amgen implemented a series of AWP increases so that by 2002 the spread increased to 42%. The increase in spread was designed to increase market share.

218. AWP's for the 4,000 units/ml of Epogen were also inflated with spreads between 92% and 105%. AWP's for this drug/dose increased while costs to the provider decreased. Similarly, the ten pack 4,000 units/ml dose started in 1997 with a spread of 26% that increased to 47% over time.

219. Amgen has also caused artificially inflated AWP's to be published for its top-selling drug Enbrel. Originally, the spread between AWP and acquisition cost was 25%. This spread has steadily increased over time such that for some doses, the spread is 32% to 40%. Amgen has created this spread to encourage promotion and use of Enbrel by those in the distribution chain.

6. Amgen Rebates on Epogen

220. In addition to marketing the spread, Amgen has utilized other impermissible inducements to stimulate sales of its drugs. These inducements were designed to result in a lower net cost to the provider while concealing the actual wholesale price beneath a high invoice price.

221. A 1993 OIG Report detailed how Amgen gave substantial year-end rebates to its customers based on their purchases of Epogen. The report noted that Medicare and Medicare

1 beneficiaries did not receive the benefit of any rebates; all monies remained with the provider.
2 There was no way to provide for any rebates on Medicare claim forms, and Amgen's rebates
3 were not provided until year-end:

4 [T]he effect of the rebates is that it reduces the actual cost of EPO
5 to a dialysis facility, thus increasing their gross profit. Presently,
6 the rebates represent price reductions which benefit the facilities
exclusively.

7 ("Review of Epogen Reimbursement," (OIG A-01-02-00506 at 7-8)).

8 222. By utilizing hidden inducements, Amgen provided purchasers with substantial
9 discounts meant to gain their patronage while maintaining the fiction of a higher wholesale price.

10 223. Amgen's scheme to inflate its reported AWP and market the resulting spread to
11 increase the market share of its drugs and its use of hidden rebates and financial inducements to
12 its customers has resulted in excessive overpayments by co-payors and payors.

13 **7. Amgen Concealed Its AWP Manipulation**

14 224. Amgen deliberately acted to conceal its fraudulent reporting and marketing of the
15 AWP spread. For example, as noted above, Amgen gave rebates to its Epogen customers which
16 effectively lowered the true price charged. When OIG asked Amgen for data on its total sales or
17 the total amount of Epogen rebates, Amgen refused to provide such data. ("Review of Epogen
18 Reimbursement," (OIG A-01-02-00506 at 7-8)).

19 225. In September 2001, the GAO reported that epoetin alfa accounted for the second
20 highest percentage of Medicare expenditures on drugs in 1999, accounting for 9.5% of spending
21 for prescription drugs by Medicare in 1999 and for 3.4% of all Medicare allowed services.

22 226. As set forth above, Amgen's scheme to inflate its reported AWP and market the
23 resulting spread to increase the market share of its drugs has resulted in excessive overpayments
24 by co-payors and payors.

C. AstraZeneca

227. AstraZeneca has engaged in an ongoing deliberate scheme to inflate AWP's. The drugs at issue for this Defendant are identified in Appendix A and/or summarized below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
	Casodex	bicalutamide	Antineoplastic Used in the treatment of prostate cancer
	Diprivan	propofol	General Anesthetic Used in the induction or maintenance of anesthesia as part of balanced anesthetic technique
	Nexium	esomeprazole magnesium	Proton Pump Inhibitor (Gastrointestinal Agent) Used in the treatment of heartburn and erosive esophagitis
	Nolvadex	tamoxifen citrate	Antiestrogen (Antineoplastic: Hormonal Agonist/Antagonist) Used in the treatment or prevention of breast cancer
	Prilosec	omeprazole	Proton Pump Inhibitor (Gastrointestinal Agent) Used in the treatment of gastric and duodenal ulcers, gastroesophageal reflux disease and erosive esophagitis
	Zestril	lisinopril	Angiotension Converting Enzyme Inhibitor (Cardiovascular Agent) Used in the treatment of hypertension and heart failure
	Zoladex	goserelin acetate	Gonadotropin Releasing Hormone Analogue (Antineoplastic: Hormonal Agonist/Antagonist) Used in the treatment of prostate and advanced breast cancer
	Zomig	zolmitriptan	Serotonin Receptor Agonist (Migraine Preparation) Used in the treatment of migraines

1. AstraZeneca Has Been the Target of a Government Investigation

228. In connection with its scheme to inflate AWP's, AstraZeneca has been investigated by the United States Department of Justice. In January 2002, a federal grand jury in Wilmington, Delaware returned an indictment accusing a New Jersey doctor of conspiring with AstraZeneca to resell free samples of Zoladex® that AstraZeneca sales representatives had given

1 the doctor. The indictment alleges that AstraZeneca (i) sold Zoladex® to the New Jersey doctor
 2 and others at prices substantially below the AWP reported by AstraZeneca, and (ii) provided the
 3 New Jersey doctor with materials showing how much more profit he could make by using
 4 Zoladex® instead of its competitor, Lupron®.

5 229. In response to the Government's subpoena, AstraZeneca appears to have
 6 produced documents related to Zoladex® only.

7 **2. AstraZeneca's Definition and Understanding of AWP**

8 230. In AstraZeneca's Guide to Coverage and Reimbursement, AstraZeneca defines
 9 AWP as follows:

10 Average Wholesale Price (AWP): The composite wholesale price
 11 charged on a specific commodity that is assigned by the drug
 12 manufacturer and is listed in either the Red Book or Blue Book.
 AWP is often used by third-party payers as a basis for
 reimbursement.

13 Thus, by its own definition, AstraZeneca recognizes that: (i) AWP should be an average of
 14 actual wholesale prices; (ii) the Drug Manufacturers control the published AWP; and (iii) the
 15 published AWP's directly affect the payments made by co-payors and payors.

16 **3. AstraZeneca Controls the Published AWP for Its Products**

17 231. AstraZeneca has controlled and set the AWP's for its pharmaceutical products
 18 through direct communications with industry compendia.

19 **4. AstraZeneca's AWP Manipulation Benefited Providers at the Expense of Co-** 20 **Payors and Payors**

21 232. The purpose of AstraZeneca's manipulation was to increase the spread in order to
 22 maximize the profit to providers and other intermediaries at the expense of co-payors and payors.

23 a. In internal marketing documents, AstraZeneca recognized the profits to
 24 providers from the inflation of AWP's: "The market we are in wants a more expensive
 25 Zoladex®, because the doctor can make more money."
 26

b. Similarly, in its agreements with PBMs, AstraZeneca guaranteed that it would maintain a spread between AWP and AWC (average wholesale cost) in order to ensure a profit to PBMs at the expense of co-payors and payors.

c. In doing so, AstraZeneca recognized that Medicare, Patients and payors would pay the difference between AWP and AAC.

5. AstraZeneca Manipulated and Marketed the AWP for Zoladex

233. AstraZeneca stated an inflated AWP for Zoladex® and marketed the resulting spread. AstraZeneca's documents reveal an intense competition with TAP Pharmaceuticals and its drug Lupron, focusing primarily on the spreads available to physicians between Zoladex® and Lupron.

234. For instance, one internal chart touts the greater spread that can be reaped from the inflated AWP for Zoladex® over the AWP for Lupron.

235. Moreover, AstraZeneca repeatedly tried to educate providers regarding the Medicare reimbursement system and the benefits to the providers for Zoladex® utilization.

236. Internal AstraZeneca documents produced in other cases will reveal that AstraZeneca was directly marketing the spread to physicians.

237. Thus, at the same time AstraZeneca was raising the AWP for Zoladex®, it was lowering the real price to providers (by giving bigger discounts), which served to widen the spread.

238. Another document sets forth the difference between the purchase price and the AWP at various volume levels. Note that even with no volume discount, a provider is still making at least a \$71.00 profit per unit on Zoladex® ($\$358.55 - 286.84 = \71.71):

NEW LOWER CASE QUANTITY DISCOUNT ZOLADEX PRICING

UNITS	AWP	COST	DISCOUNT	LESS 2%
1-5	\$358.55	\$286.84	0%	\$281.10
6-11	\$358.55	\$269.63	6%	\$264.24
12-23	\$358.55	\$261.02	9%	\$255.80

24-47	\$358.55	\$252.42	12%	\$247.37
48-59	\$358.55	\$243.81	15%	\$238.93
60-71	\$358.55	\$235.21	18%	\$230.50
72+	\$358.55	\$229.47	20%	\$224.88

(P003060).

239. The same document goes on to tout the practice's ability to make more profit, or return on investment, by exploiting the AWP Scheme:

Thank you for your time and listening ear on Monday, April 17. As discussed, I am offering a proposal to switch Lupron patients to Zoladex. Zeneca Pharmaceuticals now has new volume pricing, with a 20% maximum discount, for Zoladex. What this will offer the practice is an opportunity to save money, realize a better return on investment, achieve the same profit you currently have with our competitor and free up a substantial amount of working capital. Zoladex will also save the patient money and the system money.

Based on a comparison of Zoladex and Lupron, if 480 depots are used annually Zoladex will save the practice \$57,177.60 a year. Your dollar return to the practice is now slightly higher with Zoladex. This rate of return for Zoladex is now 59% compared to Lupron's 39%

(P003058).

240. Another AstraZeneca document even more explicitly demonstrates to providers how they can profit from the AWP Scheme, in excess of \$64,000 per year:

ZOLADEX

Direct Pricing	Medicare AWP	\$\$Return / % Return	
72+ \$224.88	\$358.55	\$133.67	59%
72x\$224.88=\$16,191.38	72x\$358.55=\$25,815.60	\$9,624.24	59%
<i>based on your use of 480 depots annually, with our 2% discount these are the comparisons</i>			
\$107,942.40	\$172,104.00	\$64,161.60	59%

(P003058).

241. According to a September 2001 GAO report, the discount from AWP for medical providers who purchased AstraZeneca's Zoladex® and billed Medicare was between 21.9% and

22.3%. (“Payments for Covered Outpatient Drugs Exceed Providers’ Cost, Sept. 2001” (P005546-78).)

242. AstraZeneca, through its employees and agents, also provided millions of dollars worth of free samples of its drugs to providers. The free samples would be used to offset the total cost associated with purchases of its drugs, thereby increasing the spread, while also concealing the actual cost of the drug from payors. Moreover, at least as to Zoladex®, AstraZeneca sales representatives specifically told providers that they could and should bill for the free samples.

243. A written proposal from AstraZeneca Sales representative Randy Payne dated July 17, 1995 encourages a urology practice to switch all of their patients to Zoladex® and states: “AS AN ADDED INCENTIVE, ZENECA WILL PROVIDE YOU WITH 50 FREE DEPOTS (over \$11,900 worth of product) FOR THE INITIAL CONVERSION TO ZOLADEX.” (P003059) (emphasis in original).

244. As set forth above, AstraZeneca’s scheme to inflate its reported AWP’s for Zoladex®, market the resulting spread, and channel to providers “free” goods – all in order to increase the market share of its drugs – has resulted in excessive overpayments by payors.

D. The Aventis Group (Aventis, Pharma and Behring)

245. Aventis engages in an organization-wide and deliberate scheme to inflate AWP’s. Aventis has stated fraudulent AWP’s for all or almost all of its drugs, including those set forth below. The specific drugs of Aventis for which relief is sought in this case are set forth in Appendix A and are as follows:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
AVENTIS GROUP (Aventis, Pharma and Behring)	Allegra	fexofenadine	Antihistamine Used for the relief of symptoms of seasonal allergic rhinitis
	Allegra-D	fexofenadine pseudoephedrine	Antihistamine Used for the relief of symptoms of seasonal allergic rhinitis

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
	Amaryl	glimepiride	Antidiabetic Used to lower blood glucose in Type II diabetes patients
	Anzemet	dolasetron mesylate	Antineoplastic Used to prevent nausea and vomiting after chemotherapy or operation
	Arava	leflunomide	Antirheumatic Used in the treatment of active rheumatoid arthritis
	Azmacort	triamcinolone aceonide (inh)	Steroidal Anti-Inflammatory Agent (Respiratory Agent) Used for maintenance treatment of asthma
	Calcimar	calcitonin salmon	Parathyroid Agent Used in the treatment of blood calcium levels and to increase the level of calcium in the bones
	Carafate	sucralfate	Duodenal Ulcer Adherent Complex (Gastrointestinal Agent) Used in the treatment and maintenance therapy of duodenal ulcer
	Cardizem	diltiazem	Calcium Channel Blocker (Cardiovascular Agent) Used in the treatment of angina and hypertension
	Gammar PI.V.	immune globulin	Immunizing Agent Used as a maintenance therapy in patients with compromised immune systems
	Intal	cromolyn sodium	Antiasthmatic Used to treat allergic rhinitis and severe perennial bronchial asthma
	Nasacort	triamcinolone acetonide (nasal)	Steroidal Anti-Inflammatory Agent (Nasal Preparation) Used for nasal treatment of allergic rhinitis symptoms
	Taxotere	docetaxel	Antineoplastic Used in the treatment of breast or lung cancer after failed chemotherapy
	Trental	pentoxifylline	Blood Viscosity-Reducing Agent (Blood Modifier) Used to improve the flow of blood through blood vessels

1 **1. Aventis Has Been the Target of Government Investigations**

2 246. In connection with its scheme to inflate AWP's, Aventis has been investigated by
3 the United States Department of Justice, the Office of Inspector General of the Department of
4 Health and Human Services, the Commerce Committee of the United States House of
5 Representatives, the Attorney General for the State of Texas, the Attorney General for the State
6 of California, and the State of California Department of Justice Bureau of Medi-Cal Fraud and
7 Elder Abuse.

8 **2. Aventis' Definition and Understanding of AWP**

9 247. The definition of AWP used and understood by Aventis and its predecessor
10 companies indicated that Aventis understood "AWP" is common language among insurance
11 carriers (state, federal and private). Aventis knew that payors expected AWP to represent a
12 reasonable profit margin to healthcare providers and as such are widely referenced by insurance
13 carriers when setting reasonable and customary rates of reimbursement.

14 **3. Aventis Controls the Published AWP for Its Products**

15 248. Aventis controlled and set the AWP's for its pharmaceutical products through
16 direct communications with industry compendia. Aventis submitted lists of AWP prices to
17 Publishers.

18 **4. Aventis' AWP Manipulation Benefited Providers at the Expense of**
19 **Co-Payors and Payors**

20 249. The purpose of Aventis' manipulation was to increase the spread in order to
21 maximize the profit to providers and other intermediaries at the expense of co-payors and payors.

22 250. Aventis knew that AWP manipulation, and the related marketing of an AWP
23 spread, was improper.

24 251. Nonetheless, Aventis (Centeon) routinely promoted differences in AWP's in
25 marketing its numerous products. In seminar materials, Aventis explained to attendees how its
26 AWP spread could be exploited.

252. Aventis, through its employees and agents, also provided free samples of its drugs to providers. The free samples would be used to offset the total cost associated with purchases of its drugs, thereby increasing the spread, while also concealing the actual cost of the drug from co-payors and payors.

253. Further, just as Aventis motivates providers to administer drugs based on the AWP, Aventis rewards PBMs based on the degree of influence they exert to drive utilization of Aventis products.

5. Specific Aventis AWP's Documented by the DOJ

254. In a report published by the DHHS (AB-00-86), the DOJ documented at least 15 instances where the published AWP's for various dosages of four drugs manufactured by Aventis were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the four drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by Aventis in the 2001 *Red Book*.

Drug	2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Anzemet Injectable (dolasetron mesylate)	\$166.50	\$74.08	\$92.42	125%
Factor VIII/ Bioclate	\$1.25	\$.91	\$.34	37%
Factor VIII/ Helixate	\$1.18	\$.78	\$.40	51%
Gammar (immune globulin)	\$400.00	\$296.67	\$103.33	35%

(P006299-P006316).

6. Additional Evidence Concerning Anzemet

255. Aventis distributed a "Reimbursement Spreadsheet" to be utilized by its sales personnel to demonstrate to "private practice office" customers the "financial advantages" of its drug, Anzemet, compared to Zofran and Kytril based on Aventis' established AWP and acquisition price (total reimbursement through Medicare).

256. A government investigation revealed similar inflated pricing implemented by Aventis with respect to the injectable form of Anzemet. In a September 28, 2000 letter to Alan F. Holmer, President of the Pharmaceutical Research and Manufacturers of America, U.S. Rep. Pete Stark provided a synopsis of the scheme implemented by Aventis (Hoechst):

The following chart represents a comparison of Hoechst's fraudulent price representations for its injectable form of the drug versus the truthful prices paid by the industry insider. It is [sic] also compares Hoechst's price representations for the tablet form of Anzemet and the insider's true prices. It is extremely interesting that Hoechst did not create a spread for its tablet form of Anzemet but only the injectable form. This is because Medicare reimburses Doctors for the injectable form of this drug and by giving them a profit, can influence prescribing. The tablet form is dispensed by pharmacists, who accept the Doctor's order. And this underscores the frustration that federal and state regulators have experienced in their attempts to estimate the truthful prices being paid by providers in the marketplace for prescription drugs and underscores the fact that, if we cannot rely upon the drug companies to make honest and truthful representations of their prices, Congress will be left with no alternative other than to legislate price controls.

NDC No:	Unit Size/ Type	Quantity	Net Price as Represented to Florida Medicaid	True Wholesale Price	Variance
0088-1206-32	100 mg/5 ml Injectable	1	\$124.90	\$70.00	Represented price 78% higher than true wholesale price.

(P007548-007588).

7. Additional Evidence Concerning Gammar

257. Similarly, Aventis increased AWP's for its Gammar product line to keep provider and intermediary reimbursement levels competitive with those created by the inflated AWP's of other manufacturers.

258. United States Representative Thomas J. Bliley, in a May 4, 2000 letter to the CEO of Aventis (Behring), also stated concerns regarding Aventis' pricing of Gammar:

The Office of Inspector General (OIG) at the Department of Health and Human Services determined that the Medicare-allowed amount for immune globulin, a pharmaceutical product sold by your company under the name Gammar, in Fiscal Year 1996 was

\$42.21. The OIG further estimated that the actual wholesale price of this drug was \$16.12 and the highest available wholesale price that the OIG was able to identify was \$32.11.

(P006962-P006966).

8. Inflated AWP's From Aventis' Price Lists

259. In response to government subpoenas, Aventis produced numerous price lists setting forth spreads between AWP's and prices offered to wholesalers, providers and other intermediaries. A review of those price lists reveals that Aventis has consistently offered drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. To repeat every one of those drugs and the spread offered to each specific customer here is not practical.

260. A March 4, 1997 price list issued by Arcola Laboratories (a division of Rhonel-Poulenc Rorer Pharmaceuticals sets the AWP for Calcimar (calcitonin-salmon) at \$31.35, with a cost of \$12.00 – for a spread of 161%.

261. As set forth above, Aventis' scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

9. Aventis Concealed its AWP Manipulation

262. Aventis deliberately acted to conceal its fraudulent reporting and marketing of the AWP spread. For example, in response to a May 26, 1995 fax request from *Red Book*, Aventis refused to provide Wholesale Acquisition Cost (WAC) for products it listed in the *Red Book* database – in spite of *Red Book's* assurances that WAC information would be distributed via electronic means only. Aventis effectively hid the AWP spread from co-payors and payors.

10. An Example of Damages to a Consumer Due to the Spread

263. The foregoing is an example of the damages to a typical consumer of one Aventis drug.

AVENTIS PHARMACEUTICALS, INC.

Drug Name: Anzemet Dolasetron Mesylate/J Code J1260 NDC 00088- 1206-32	Approx. Provider Cost	Medicare Reimbursement (95% of AWP)	Medicare Reimbursement Based on Approximate Provider Cost of \$114.00	“Spread” Retained by Provider	Consumer Overcharge in Dollars	Consumer Percentage Overcharge Column
Cost per 100 MG	\$75.00	\$164.50				
Cost of typical monthly usage* (200 mg per treatment)	\$114.00	\$329.00		215.00		
Medicare share of monthly cost = 80%		\$263.20	\$91.20			
Consumer share of monthly cost = 20%		\$65.80	\$22.80		\$43.00	289%

E. Baxter

264. Baxter engages in an organization-wide and deliberate scheme to inflate AWP's. Baxter has stated fraudulent AWP's for all or almost all of its drugs set forth below. The specific drugs of Baxter for which relief is sought in this case are set forth in Appendix A and/or are summarized below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
BAXTER	Aggrastat	tirofiban hydrochloride	Glycoprotein Receptor Inhibitor (Blood Modifier) Used in the treatment of acute coronary symptoms
	Ativan	lorazepam	Antianxiety Agent (Psychotherapeutic Agent); Anticonvulsant Used to relieve anxiety and treat insomnia
	Bebulin VH	factor ix (systemic)	Antihemorrhagic Agent Used to treat hemophilia B
	Brevibloc	esmolol hcl	Autonomic Nervous System Agent Used in the treatment of tachyarrhythmias in critical situations
	Buminate	albumin (human)	Plasma Fraction (Blood Modifier) Used in the treatment of hypovolemia and hypoalbuminemia

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
	Claforan	cephalosporin (systemic)	Antibacterial Agent (Anti-Infective Agent) Used in the treatment of infections caused by bacteria
	Gammagard S/D	immune globulin solution	Antibacterial Agent (Anti-Infective Agent) Used to prevent or treat some illnesses.
	Gentran	dextran	Blood Derivative; Blood Modifier Used in the emergency treatment of shock
	Holoxan/Ifex	ifosfamide	Antineoplastic Used in the treatment of various forms of cancer
	Iveegam EN	immune globulin iv	Antibacterial Agent (Anti-Infective Agent) Used as replacement therapy in patients with primary immunodeficiency syndromes
	Osmitrol	mannitol	Osmotic Diuretic Used to promote diureses during treatment of acute kidney failure. Also used to reduce intraocular and intracranial pressure
	Recombinate	factor viii	Antihemophilic Factor Used to induce blood clotting
	Travasol	amino acid	Dietary Supplement Used for nutritional support in cancer patients
	Vancocin HCl	vancomycin hydrochloride	Antibacterial Agent (Anti-Infective Agent) Used in the treatment of infections caused by bacteria
		cisplatin	Antineoplastic Used to treat cancer of the bladder, ovaries, and testicles
		dextrose	Caloric Agent; Electrolyte Replenisher Used to increase intake of calories and fluids
		doxorubicin hcl	Antineoplastic Used in the treatment of various forms of cancer
		gentamicin	Antibacterial Agent (Anti-Infective Agent) Used to treat serious bacterial infections
		heparin	Anticoagulant (Cardiovascular Agent) Used to decrease the clotting ability of the blood
		sodium chloride	Flush; Abortifacient Used to remove medicine and blockage from intravenous (IV) catheter. Also used to induce abortion

1 **1. Baxter Has Been the Target of Government Investigations**

2 265. Baxter has been investigated by the United States Department of Justice,
3 Department of Health and Human Services Office of Inspector General, the Attorney General for
4 the State of California, the Attorney General for the State of Texas, the Attorney General for the
5 State of Illinois, and the Committee on Commerce of the House of Representatives.

6 266. These investigations confirm that Baxter has engaged in a deliberate scheme to
7 inflate AWP for many or most of its drugs. A Baxter document made public as a result of the
8 congressional investigation entitled, “Confidential – Baxter Internal Use Only,” acknowledged
9 that: “Increasing AWP was a large part of our negotiations with the large homecare
10 companies.” Baxter further admitted in internal documents that homecare companies that
11 reimburse based on AWP make a significantly higher margin. Thus, Baxter’s own documents
12 demonstrate its active participation in the scheme to artificially inflate AWP.

13 **2. Baxter’s Definition and Understanding of AWP**

14 267. Despite its manipulation, Baxter understood that AWP should mean: “The
15 average price that a pharmacy (or provider) pays for the product from their drug wholesaler or
16 distributor.” Contrary to its own definition of AWP, Baxter nonetheless set AWP for its drugs
17 far in excess of what providers paid for those drugs.

18 **3. Baxter Controls the Published AWP for its Products**

19 268. Baxter has controlled and set the AWP for its pharmaceutical products through
20 direct communications with industry compendia.

21 **4. Baxter’s AWP Manipulation Benefited Providers at the Expense of Co-
22 Payors and Payors**

23 269. In at least one internal document, Baxter recognized that deliberate manipulation
24 of the spread was being wrongly used to gain competitive advantage by manufacturers.

25 270. Despite this recognition, Baxter nonetheless continued to manipulate its AWP in
26 order to maintain the competitiveness of its own products based upon the spread.

271. In addition, Baxter's marketing and sales documents, which were prepared and disseminated to its employees and agents via the United States mail and interstate wire facilities, compared the costs of their respective drugs to those of their respective competitors and were intended to induce physicians to use Baxter drugs and shift market share in its favor. Other documents created and disseminated by Baxter compared the AWP and the actual "cost" of their respective drugs, so that medical providers could easily see the different "return-to-practice" amounts available for different levels of purchase.

5. Specific Baxter AWP's Documented by the DOJ

272. In a report published by the DHHS (AB-00-86), the DOJ documented at least 41 instances where the published AWP's for various dosages of drugs manufactured by Baxter were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the four drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by Baxter in the 2001 *Red Book*.

Drug in Lowest Dosage Form	Baxter's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Dextrose	\$928.51	\$2.25	\$926.26	41,167%
Dextrose Sodium Chloride	\$357.69	\$2.93	\$354.76	12,108%
Sodium Chloride	\$928.51	\$1.71	\$926.80	54,199%
Factor VIII	\$1.28	\$.92	\$.36	39%

(P006299-006316).

6. Evidence Concerning Gammagard S/D (immune globulin solution)

273. Baxter admittedly manipulated the AWP for Gammagard S/D. Internal documents recognize that the spread between acquisition cost and AWP/WAC is a direct profit for customers, and is being used to increase product positioning in the market by certain manufacturers.

7. Inflated AWP's From Baxter's Price Lists

274. In response to government subpoenas, Baxter produced numerous price lists setting forth spreads between AWP's and prices apparently offered to wholesalers, providers and other intermediaries. A review of those price lists reveals that Baxter has consistently offered hundreds of its drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. To repeat every one of those drugs and the spread offered to each specific customer here is not practical. However, set forth below in Tables 1 and 2 are a number of those drugs (not already referenced above) with spreads between the AWP's and direct prices. Table 1 is an analysis of certain dosages of Baxter drugs from a document entitled "Baxter Healthcare Corporation Intravenous and Irrigation Solution Products Report."

Table 1

Drug	AWP	DP	Difference	% Spread
Ringers	10.84	6.34	4.50	71%
Lactated Ringers	12.36	7.43	4.93	66%
Plasma-lyte 148	15.67	10.85	4.82	44%
5% Travert and electrolyte no. 2	16.39	11.30	5.09	45%
6% Gentrane	73.46	33.19	40.27	121%
Sterile Water	9.97	6.15	3.82	62%
Sodium Lactate	17.98	11.11	6.87	62%
Osmitrol	70.28	35.12	35.16	100%
Gentamycin	10.78	7.25	3.53	49%
Metronidazole injection	15.34	7.85	7.49	95%
Rocephin	40.18	32.67	7.51	23%
Nitroglycerin	17.37	9.82	7.55	77%
Potassium Chloride Injection	14.63	10.16	4.47	44%
Dopamine	19.30	13.40	5.90	44%
Lidocaine	22.74	13.48	9.26	67%
Heparin	9.94	6.49	3.45	53%
Theophylline	11.45	7.81	3.64	47%
Glycine for Irrigation	32.87	19.70	13.17	67%
Tis-U-Sol	22.73	11.36	11.37	100%
Acetic Acid	20.70	10.91	9.79	90%
Irrigating Solution G	16.67	11.04	5.63	51%
Balanced Salt Solution	28.76	15.00	13.76	92%
Sodium Bicarbonate	39.23	16.36	22.87	140%

275. Table 2 is an analysis of certain dosages of Baxter drugs from a document entitled “IV Nutrition Products”.

Table 2

Drug	AWP	DP	Difference	% Spread
Novamine Injection	95.14	51.48	43.66	85%
Travasol	83.44	40.21	43.23	108%
RenAmin Injection	75.00	48.00	27.00	56%
Aminess Essential Amino Acid	107.35	66.00	41.35	63%
BranchAmin Injection	93.60	60.00	33.60	56%

8. Baxter Provided Free Goods and Other Incentives

276. Baxter also provided physicians with free goods with the understanding that physicians would bill for those goods, in violation of federal law. Billing for free goods was a way for physicians to obtain greater profit at the expense of co-payors and payors. Baxter’s fraudulent use of free goods aimed at increasing market share is evidenced by an internal memorandum from a Baxter contract administrator to certain field sales managers encouraging the distribution by United States mail or otherwise of free product to achieve overall price reduction:

BAXTER: “The attached notice from Quantum Headquarters was sent on April 10th to all their centers regarding the reduction on Recombinate pricing. Please note that they want to continue to be invoiced at the \$.81 price. They have requested that we send them free product every quarter calculated by looking at the number of units purchased in that quarter and the \$.13 reduction in price . . . free product given to achieve overall price reduction.”

Letter from Stark, Committee on Ways and Means to Holman, Pres. Pharmaceutical Research and Manufacturers of America, Sept. 28, 2002 (P0075410-44).

277. As set forth above, Baxter’s scheme to inflate its reported AWP’s, market the resulting spread, and channel to providers “free” goods – all in order to increase the market share of its drugs – has resulted in excessive overpayments by co-payors and payors.

9. Further Evidence of Baxter's Spread Activities

278. Defendant Baxter's sales managers instructed field representatives to be careful when presenting reimbursement scenarios to customers out of fear it might demonstrate that a competitor's product might be more profitable to the customer. Also, Baxter employees were provided with spread sheets that compared various manufacturers' AWP and WAC prices in order to show physicians how they could profit from the spread.

279. With regard to immune globulin and hemophiliac products (blood factor), Baxter routinely compared and evaluated acquisition costs, prices reported to *First Databank* and current Medicaid or Medicare reimbursements for its competitors.

F. Bayer

280. Bayer engages in an organization-wide and deliberate scheme to inflate AWP's. Bayer has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of Bayer for which relief is sought in this case are set forth in Appendix A, and/or are set forth below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
BAYER	Cipro	ciprofloxacin or ciprofloxacin hcl	Antibiotic Agent (Anti-Infective Agent) Used in the treatment of various bacterial infections, including anthrax
	Cipro XR	ciprofloxacin hcl- ciprofloxacin betaine	Antibiotic Agent (Anti-Infective Agent) Used in the treatment of various bacterial infections, including anthrax
	DTIC-Dome	dacarbazine	Antineoplastic Used in the treatment of melanoma and Hodgkin's disease
	Mithracin	plicamycin	Antineoplastic; Antihypercalcemic Agent Used in the treatment of various forms of cancer

1. Bayer Has Been the Target of Government Investigations

281. In connection with its scheme to inflate AWP's, Bayer has been investigated by the Department of Justice, Department of Health and Human Services, Office of Inspector General, and the Commonwealth of Massachusetts. Bayer agreed to settle claims asserted by the

United States government and 47 states arising from its fraudulent pricing and marketing practices. According to the DOJ's January 23, 2001 press release:

The government's investigation of the allegations...revealed that [Bayer] beginning in the early 1990s, falsely inflated the reported drug prices – referred to by the industry as the Average Wholesale Price (AWP), the Direct Price and the Wholesale Acquisition Cost – used by state governments to set reimbursement rates for the Medicaid program. By setting an extremely high AWP and, subsequently, selling drugs at a dramatic discount, Bayer induced physicians to purchase its products rather than those of competitors by enabling doctors to profit tremendously from reimbursement paid to them by the government.

The Bayer AWP's at issue in the investigation involved Bayer's biologic products such as Kogenate, Koate-HP, and Gamimmune, which are widely used in treating hemophilia and immune deficiency diseases. The investigation further revealed that the practice in which Bayer selectively engaged, commonly referred to as "marketing the spread," also had the effect of causing other drug companies to inflate their AWP's.

"Bayer Corporation Settlement on Medicaid Drug Prices" (P011236-011237).

282. As part of its settlement of government claims in 2000, Bayer is required, under the terms of a corporate integrity agreement, to provide state governments and the federal government with the average selling prices of its drugs – a price which accounts for all discounts, free samples, rebates and all other price concessions provided by Bayer to any relevant purchaser that result in a reduction of the ultimate cost to Bayer's customers.

283. In April 2003, Bayer also agreed to pay the government \$251.6 million in civil penalties for violating the Federal Prescription Drug Marketing Act for alleged overcharges involving its antibiotic Cipro and its high blood pressure drug Adalat.

2. Bayer Controls the Published AWP for Its Products

284. Bayer has controlled and set the AWP's for its pharmaceutical products through direct communications with industry compendia.

3. Bayer's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors

285. As detailed in a September 28, 2000 letter from Representative Stark to Alan F. Holmer, President of the Pharmaceutical Research and Manufacturers of America, internal Bayer documents reveal Bayer knowingly participated and directed the scheme to artificially inflate the AWP for its products and to market the spread:

BAYER: "Chris, if Baxter has increased their AWP then we must do the same. Many of the Homecare companies are paid based on a discount from AWP. If we are lowed [sic] than Baxter then the return will be lower to the HHC. It is a very simple process to increase our AWP, and can be done overnight."

(P007549).

286. Tom Bliley, in a letter dated September 25, 2000 to the Health Care Financing Administration, analyzed drug sales in Florida and noted that sales of Bayer's WhinRho "skyrocketed" when competitors reduced their spreads but Bayer did not.

4. Specific Bayer AWP Documented by the DOJ

287. In a report published by the DHHS, the DOJ documented at least 10 instances where the published AWP for various dosages of two drugs manufactured by Bayer were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the two drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by Abbott in the 2001 *Red Book*.

Drug	Bayer's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Immune Globulin	\$450.00	\$362.50	\$87.50	24%
Factor VIII	\$0.92	\$0.42	\$0.50	119%

(AB-00-86 (P006299-006316)).

288. In a DHHS OIG report (*see* OEI-03-00-00310 (P006398-006424)), the government also discovered that the AWP for all immune globulin pharmaceuticals (of a dosage

of 5g), including Bayer's Gamimune® (Bayer was one of five manufacturers of the dosage listed in the 1997 *Red Book*), were over inflated by an average spread of 32.21%.

289. According to the government's settlement with Bayer arising out of Bayer's fraudulent pricing and marketing practices, the Bayer AWP's at issue in the investigation (and ultimately settled) include the AWP's for Kogenate.

5. Inflated AWP's From Bayer's Price Lists

290. According to Bayer's own documents, the published AWP's for its drugs were higher than the actual prices provided to wholesalers. In response to government subpoenas, Bayer produced numerous price lists setting forth spreads between AWP's and prices apparently offered to wholesalers, providers and other intermediaries. A review of those price lists reveals that Bayer has consistently offered hundreds of its drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers.

291. The specific drugs manufactured and/or distributed by Bayer for which relief is currently sought in this case are set forth below, along with their fraudulently stated AWP's:

<u>NDC</u>	<u>Product</u>	<u>1997 AWP</u>	<u>1998 AWP</u>	<u>1999 AWP</u>	<u>2000 AWP</u>	<u>2001 AWP</u>	<u>2002 AWP</u>	<u>2003 AWP</u>
00026-8841-54	ADALAT CC 30MG 1000S	\$940.77	\$940.77	\$1,033.79	\$1,267.70	\$1,267.70	\$1,299.39	\$1,433.53
00026-8841-72	ADALAT CC 30MG 5000S		\$4,703.83	\$5,168.98		\$6,338.52	\$6,496.99	*
00026-8841-51	ADALAT CC 30MG BOTTLE OF 100'S	\$90.53	\$95.51	\$104.95	\$120.16	\$126.77	\$129.94	\$149.09
00026-8841-48	ADALAT CC 30MG DOSE 100'S	\$95.05	\$100.28	\$110.20	\$126.16	\$133.10	\$136.43	\$156.54
00026-8851-54	ADALAT CC 60MG 1000S	\$1,612.03	\$1,612.03	\$1,771.44		\$2,258.19	\$2,314.66	\$2,655.75
00026-8851-72	ADALAT CC 60MG 5000S		\$8,060.22	\$8,857.19		\$11,290.99	\$11,573.26	*
00026-8851-51	ADALAT CC 60MG BOTTLE OF 100'S	\$163.66	\$163.66	\$179.84	\$225.82	\$225.82	\$231.47	\$265.58
00026-8851-48	ADALAT CC 60MG UNIT DOSE 100'S	\$171.84	\$171.84	\$188.83	\$268.13	\$237.10	\$243.03	\$278.48
00026-8861-51	ADALAT CC 90MG BOTTLE OF 100'S	\$198.55	\$198.55	\$218.19	\$263.54	\$263.54	\$263.54	\$311.26
00026-8861-48	ADALAT CC 90MG UNIT DOSE 100'S	\$208.49	\$208.49	\$229.11	\$276.74	\$276.74	\$276.74	\$326.86
00026-0684-71	ALBUMIN 20%, 100 ML (PLASBUMIN)		\$175.50	\$175.00	\$175.00	\$175.00	\$175.00	\$61.25

<u>NDC</u>	<u>Product</u>	<u>1997 AWP</u>	<u>1998 AWP</u>	<u>1999 AWP</u>	<u>2000 AWP</u>	<u>2001 AWP</u>	<u>2002 AWP</u>	<u>2003 AWP</u>
00026-0684-16	ALBUMIN 20%, 20 ML (PLASBUMIN)		\$31.25	\$31.25	\$31.25	\$31.25	\$31.25	\$15.31
00026-0684-20	ALBUMIN 20%, 50 ML (PLASBUMIN)		\$87.50	\$87.50	\$87.50	\$87.50	\$87.50	*
00026-0685-25	ALBUMIN 5%, 250 ML (PLASBUMIN)		\$87.50	\$87.50	\$87.50	\$87.50	\$87.50	\$30.36
00026-0685-20	ALBUMIN 5%, 50 ML (PLASBUMIN)		\$31.25	\$31.25	\$31.25	\$31.25	\$31.25	\$15.31
00026-8581-41	AVELOX ABC PACK (5 TABLETS PER)		*	*		\$43.56	\$47.12	\$49.00
00026-8581-69	AVELOX BOTTLE OF 30 TABLETS		*	*		\$261.38	\$282.70	\$294.01
00026-2883-51	BAYCOL .2MG 100'S		\$132.00	\$132.00		\$162.25	*	*
00026-2883-86	BAYCOL 0.2MG 90'S BOTTLES		*	*		\$146.02	*	*
00026-2884-51	BAYCOL 0.3MG 100'S		\$132.00	\$132.00		\$162.25	*	*
00026-2884-86	BAYCOL 0.3MG 90'S BOTTLES		*	*		\$146.02	*	*
00026-2885-51	BAYCOL 0.4MG BOTTLES OF 100		*	*		\$162.25	*	*
00026-2885-69	BAYCOL 0.4MG BOTTLES OF 30		*	*		\$48.69	*	*
00026-2885-86	BAYCOL 0.4MG BOTTLES OF 90		*	*		\$146.02	*	*
00026-2886-69	BAYCOL 0.8MG 30'S BOTTLES		*	*		\$72.58	*	*
00026-2886-86	BAYCOL 0.8MG 90'S BOTTLES		*	*		\$217.73	*	*
00026-0635-12	BAYGAM 10.ML, VIAL		*	\$120.00	\$120.00	\$120.00	\$120.00	\$128.13
00026-0635-04	BAYGAM 2.0 ML, VIAL SYRINGE		*	\$45.00		\$28.80	\$28.80	\$30.60
00026-0636-00	BAYHEPB		\$80.00	\$82.50		\$75.60	\$75.60	*
00026-0636-01	BAYHEPB		\$152.50	\$156.25		\$142.56	\$142.56	*
00026-0636-05	BAYHEPB		\$725.00	\$746.25		\$648.00	\$684.00	\$684.00
00026-0618-02	BAYRAB		\$150.00	\$153.75		\$168.00	\$168.00	\$168.00
00026-0618-10	BAYRAB		\$725.00	\$746.25		\$766.80	\$766.80	\$766.80
00026-0631-01	BAYRHO-D		\$81.25	\$100.00		\$108.00	*	*
00026-0631-05	BAYRHO-D		\$237.50	\$323.75		\$378.00	\$378.00	*
00026-0634-01	BAYTET		\$62.00	\$100.00		\$108.00	*	*
00026-2521-06	BILTRICIDE 600 MG TABLETS 6'S		\$66.74	\$71.41	\$71.41	\$71.41	\$71.41	\$71.41
00026-8511-06	CIPRO 100MG UNIT DOSE 6'S	\$14.40	\$14.40	\$15.26	\$17.24	\$17.24	\$18.92	\$20.66
00026-8512-48	CIPRO 250MG 100'S UNIT DOSE	\$314.62	\$314.62	\$353.50	\$399.44	\$399.44	\$438.23	\$478.46
00026-8512-51	CIPRO 250MG BOTTLES OF 100'S	\$303.72	\$303.72	\$341.26	\$385.62	\$385.62	\$495.21	\$461.90
00026-8513-48	CIPRO 500MG 100'S UNIT	\$374.43	\$374.43	\$412.78	\$466.42	\$466.42	\$511.70	\$558.67

<u>NDC</u>	<u>Product</u>	<u>1997 AWP</u>	<u>1998 AWP</u>	<u>1999 AWP</u>	<u>2000 AWP</u>	<u>2001 AWP</u>	<u>2002 AWP</u>	<u>2003 AWP</u>
	DOSE							
00026-8513-51	CIPRO 500MG BOTTLES OF 100'S	\$362.36	\$362.36	\$399.47	\$451.39	\$451.39	\$495.21	\$540.67
00026-8514-48	CIPRO 750MG 100'S UNIT DOSE	\$374.43	\$374.43	\$412.78	\$466.42	\$466.42	\$511.70	\$580.27
00026-8514-50	CIPRO 750MG BOTTLE OF 50'S	\$181.18	\$181.18	\$199.70	\$225.71	\$225.71	\$247.63	\$280.81
00026-8562-20	CIPRO IV 200MG 1% 10X20ML VIALS	\$144.06	\$144.06	\$144.06	\$144.06	\$144.06	\$144.06	\$144.06
00026-8552-36	CIPRO IV 200MG 24 BAGS ABBOTT	\$374.55	\$374.55	\$374.55	\$374.55	\$374.55	\$374.55	\$374.55
00026-8527-36	CIPRO IV 200MG 24 BAGS BAXTER *		\$374.55	\$374.55	\$374.55	\$374.55	\$370.55	\$374.55
00026-8564-64	CIPRO IV 400MG 1% 10X40ML VIALS	\$288.12	\$288.12	\$288.12	\$288.12	\$288.12	\$288.12	\$288.12
00026-8554-63	CIPRO IV 400MG 24 BAGS ABBOTT	\$720.29	\$720.29	\$720.29	\$720.29	\$720.29	\$720.29	\$720.29
00026-8527-63	CIPRO IV 400MG 24 BAGS BAXTER *		\$720.29	\$720.29	\$720.29	\$720.29	\$720.29	\$720.29
00026-8566-65	CIPRO IV BULK PKG 6X120ML VIALS		\$466.38	\$466.38	\$466.38	\$466.38	\$466.38	\$466.38
00026-8553-36	CIPRO ORAL SUSPENSION 10% 100ML *		*	*	\$90.29	\$90.29	*	*
00026-8551-36	CIPRO ORAL SUSPENSION 5% 100ML *		*	*	\$77.12	\$77.12	*	*
00026-8151-20	DTIC-DOME 200MG 200ML VIAL 12'S	\$266.70	\$266.70	\$319.92	\$319.92	\$332.72	\$332.72	\$332.72
00026-8161-15	MITHRACIN 2500 MCG		\$887.28	\$949.39		\$987.36	\$987.36	\$987.36
00026-3091-61	MYCELEX 1% CREAM 15 GM		\$10.03	\$10.73		\$11.16	\$11.16	\$11.61
00026-3091-59	MYCELEX 1% CREAM 30 GM		\$17.14	\$18.72		\$19.47	\$19.47	\$19.47
00026-3091-67	MYCELEX CREAM 90G(2X45G) TUBES		\$28.65	\$30.66		\$31.89	\$31.89	\$31.89
00026-2855-48	NIMOTOP CAPSULES 30MG 100'S UD	\$567.16	\$567.16	\$625.30		\$669.82	\$699.97	\$767.94
00026-2855-70	NIMOTOP CAPSULES 30MG 30'S UD	\$178.07	\$178.07	\$196.32		\$210.31	\$219.78	\$241.12
00026-0613-25	PLASMANATE, 250 ML W/ SET		\$87.50	\$87.50	\$87.50	\$87.50	\$87.50	\$30.63
00026-0613-20	PLASMANATE, 50 ML W/O SET		\$31.25	\$31.25	\$31.25	\$31.25	\$31.25	\$15.31
00026-2862-51	PRECOSE 100MG BOTTLES OF 100'S	\$58.80	\$63.50	\$66.68	\$70.02	\$74.22	\$81.95	\$83.39
00026-2863-51	PRECOSE 25MG 100'S		\$45.61	\$49.25		\$54.29	\$57.55	\$64.66
00026-2861-48	PRECOSE 50MG 100'S UNIT DOSE		\$47.89	\$51.72		\$57.03	\$60.45	\$73.15

<u>NDC</u>	<u>Product</u>	<u>1997 AWP</u>	<u>1998 AWP</u>	<u>1999 AWP</u>	<u>2000 AWP</u>	<u>2001 AWP</u>	<u>2002 AWP</u>	<u>2003 AWP</u>
00026-2861-51	PRECOSE 50MG BOTTLES OF 100'S		\$45.61	\$49.25		\$70.02	\$74.22	\$69.64
00026-0601-35	PROLASTIN			\$0.22	\$0.22	\$0.22		\$0.28
00026-8196-36	TRASYLOL 100ML VIALS 6'S		\$185.40	\$196.83		\$217.01	\$227.86	\$1,507.29
00026-8197-63	TRASYLOL 200ML VIALS 6'S	\$360.00	\$370.80	\$393.67		\$434.02	\$455.72	\$3,014.58

6. Bayer Provided Free Goods and Other Incentives

292. In addition to marketing the spread, Bayer has utilized other impermissible inducements to stimulate sales of its drugs. These inducements were designed to result in a lower net cost to the provider while concealing the actual wholesale price beneath a high invoice price. By utilizing "off-invoice" inducements, Bayer provided purchasers with substantial discounts meant to gain their patronage while maintaining the fiction of a higher wholesale price.

293. Evidence of these practices is found in an October 1, 1996 Bayer internal memorandum addressing volume sales opportunities for the pharmaceutical Kogenate®:

BAYER: "I have been told that our present Kogenate price, \$.66 is the highest price that Quantum is paying for recombinant factor VIII. In order to sell the additional 12mm/u we will need a lower price. I suggest a price of \$.60 to \$.62 to secure this volume. From Quantum's stand [sic] point, a price off invoice, is the most desirable. We could calculate our offer in the form of a marketing grant, a special educational grant, payment for specific data gathering regarding Hemophilia treatment, or anything else that will produce the same dollar benefit to Quantum Health Resources."

294. As set forth above, Bayer's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs and its use of other "off invoice" rebates and financial inducements to its customers has resulted in excessive overpayments by co-payors and payors.

295. Bayer routinely offered its customers off-invoice discounts as one feature of its standard contracts. (BAYM002428).

7. Bayer Concealed Its AWP Manipulation

296. Bayer deliberately acted to conceal its fraudulent reporting and marketing of the AWP spread. Bayer routinely required that its customers keep secret the prices they were being charged for Bayer drugs. (BAYM000913, BAYM002436).

G. Biogen

297. Biogen engages in an organization-wide and deliberate scheme to inflate AWP, including but not limited to, for those AWP identified in Appendix B and drugs identified below:

Manufacturer	Brand Name (if applicable)	Therapeutic Category/Usage
BIOGEN	Amevive	Treatment of psoriasis
	Avonex	Treatment of MS
	Zevalin	

1. Example of the use of AWP manipulation

298. In September 2003, Doug Abel, Vice President of Biogen's Dermatology Division, proposed a number of "Big Ideas" to jump start sales for Amevive®, Biogen's psoriasis drug, which was floundering in the market. One of the ideas was the Security Program for Amevive® ("SPA"), a form of guaranteed reimbursement for providers. Under the program, a physician would alert Biogen's customer service reimbursement that it intended to purchase Amevive® for a Patient. Biogen would give the physician a preliminary analysis of whether the drug could be reimbursed under the Patient's coverage (Medicare, Medicaid or private payor). The physician would then purchase the drug and, if the payor later denied the physician's claim for reimbursement, Biogen would provide credits to the physician for future purchases in various forms.

299. The Amevive® SPA also raised the specter of artificial inflation of Biogen's revenue. Because Biogen would distribute units of Amevive® subject to an uncertain price per unit, revenue could not be accurately calculated and AWP could not be accurately reported because the AWP would be far lower if the credits were accounted for.

300. Another marketing ploy that rendered Biogen's reported AWP unreliable was the Amevive® Free Sample Program. By law, drug samples are carefully regulated, and samples may be given only to physicians trying a product with which they are unfamiliar, or to Patients for a limited trial. A company can provide only a small amount – a “sample” – to the physician, who cannot charge Patients (or payors) for the samples.

301. Biogen provided enormous amounts of Amevive® samples to physicians, particularly those who already were among the top buyers of the drug, and incentivizing sales representatives to give these large numbers of samples to physicians quickly. The Amevive® sales team was providing samples to reimburse physicians for losses on prior purchases, a scheme that would work only if Biogen was allowing the physicians to charge for the samples and their administration.

302. The Zevalin® Guaranteed Reimbursement Program (“Zevalin® GR”) also inflated the AWP of Zevalin. The Zevalin® GR was similar to the Amevive® SPA, and involved the use of free samples.

H. The Boehringer Group (Boehringer, Ben Venue and Roxane)

303. The Boehringer Group engages in an organization-wide and deliberate scheme to inflate AWPs. The Boehringer Group has stated fraudulent AWPs for all or almost all of its drugs, including those set forth below. The specific drugs of the Boehringer Group for which relief is sought in this case are set forth in Appendix A and/or are identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
BOEHRINGER GROUP (Boehringer, Ben Venue and Roxane)	Viramune	nevirapine	Antiviral Agent (Anti-Infective Agent) Used in the treatment of HIV infection
		acyclovir sodium	Anti-Infective Agent Used in the treatment of herpes infections
		amikacin sulfate	Antibiotic Agent (Anti-Infective Agent) Used to treat respiratory tract, urinary tract, bone, skin and soft tissue infections

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
		cytarabine	Antineoplastic Used to treat leukemia and non-Hodgkin's lymphoma
		doxorubicin hydrochloride	Antineoplastic Used in the treatment of ovarian cancer and AIDS-related Kaposi's sarcoma
		etoposide	Mitotic Inhibitor (Antineoplastic) Used in the treatment of testicular neoplasm and small cell cancer of the lung
		leucovorin calcium	Antianemic Agent (Blood Modifier) Used in the treatment of anemia
		methotrexate sodium	Antineoplastic Used in the treatment of various forms of cancer
		mitomycin	Antineoplastic Used in the treatment of various forms of cancer
		vinblastine	Antineoplastic Used in the treatment of various forms of cancer, including lymphoma and breast cancer
		vinblastine sulfate	Antineoplastic Used in the treatment of various forms of cancer, including lymphoma and breast cancer

1. The Boehringer Group Has Been the Target of Government Investigations

304. In connection with its scheme to inflate AWP's, the Boehringer Group has been investigated by the Department of Justice, the Department of Health and Human Services Office of Inspector General, the Committee on Commerce of the House of Representatives, and the Nevada Attorney General.

2. The Boehringer Group Controls the Published AWP for Its Products

305. The Boehringer Group has controlled and set the AWP's for its pharmaceutical products through direct communications with industry compendia.

3. Specific Boehringer AWP's Documented by the DOJ

306. In a report published by the DHHS, the DOJ documented at least 32 instances where the published AWP's for various dosages of nine drugs manufactured by the Boehringer Group were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the nine drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by the Boehringer Group in the 2001 *Red Book*.

Drug	The Boehringer Group's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Acyclovir Sodium	\$ 528.00	\$ 207.00	\$ 321.00	155%
Amikacin Sulfate	\$ 437.50	\$ 65.33	\$ 372.17	570%
Mitomycin	\$ 128.05	\$ 51.83	\$ 76.22	147%
Cytarabine	\$ 62.50	\$ 3.55	\$ 58.95	1,661%
Doxorubicin HCL	\$ 945.98	\$ 139.75	\$ 806.23	577%
Etoposide	\$ 110.00	\$ 8.45	\$ 101.55	1,202%
Leucovorin Calcium	\$ 184.40	\$ 2.76	\$ 181.64	6,581%
Methotrexate Sodium	\$ 68.80	\$ 2.63	\$ 66.17	2,516%
Vinblastine Sulfate	\$ 212.50	\$ 8.19	\$ 204.31	2,495%

4. Inflated Boehringer Group AWP's From Bedford's Price Lists

307. According to Bedford's own documents, the published AWP's for the drugs listed below by the DOJ were, in fact, higher than the actual prices provided to wholesalers. In response to government subpoenas, Bedford produced several price lists setting forth spreads between AWP's and prices apparently offered to wholesalers, providers, and other intermediaries. A review of those price lists reveal that Bedford has consistently offered the above drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. (MDL BV 000799-806).

308. And the size of the spread between the AWP reported to *Red Book* and the wholesale price also evidences AWP manipulation for the following Bedford drugs:

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1						
2	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0612-10	500 mg, 10s	528.00	353.00	201.7%
3	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0612-10	500 mg, 10s	528.00	304.00	135.7%
4	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0612-10	500 mg, 10s	528.00	306.00	137.8%
5	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0613-20	1000 mg, 10s	1,056.00	706.00	201.7%
6	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0613-20	1000 mg, 10s	1,056.00	608.00	135.7%
7	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0613-20	1000 mg, 10s	1,056.00	612.00	137.8%
8	Acyclovir Sodium (PDI, IJ {S.D.V.})	55390-0613-20	1000 mg, 10s	1,056.00	691.00	189.3%
9	Amikacin Sulfate (INJ, IJ {S.D.V., P.F.})	55390-0226-02	250 mg/ml, 2 ml 10s	437.50	372.50	573.1%
10	Amikacin Sulfate (INJ, IJ {S.D.V., P.F.})	55390-0226-02	250 mg/ml, 2 ml 10s	437.50	371.50	562.9%
11	Amikacin Sulfate (INJ, IJ {S.D.V., P.F.})	55390-0226-04	250 mg/ml, 4 ml 10s	875.00	745.00	573.1%
12	Amikacin Sulfate (INJ, IJ {S.D.V., P.F.})	55390-0226-04	250 mg/ml, 4ml 10s	875.00	759.00	654.3%
13	Cytarabine (PDI, IJ {VIAL})	55390-0131-10	100 mg ea	100.28	97.28	3242.7%
14	Cytarabine (PDI, IJ {VIAL})	55390-0131-10	100 mg ea	6.25	2.95	89.4%
15	Cytarabine (PDI, IJ {VIAL})	55390-0131-10	100 mg ea	6.25	2.05	48.8%
16	Cytarabine (PDI, IJ {VIAL})	55390-0131-10	100 mg ea	6.25	2.65	73.6%
17	Cytarabine (PDI, IJ {VIAL})	55390-0132-10	500 mg ea	25.00	17.00	212.5%
18	Cytarabine (PDI, IJ {VIAL})	55390-0132-10	500 mg ea	25.00	17.25	222.6%
19	Cytarabine (PDI, IJ {VIAL})	55390-0132-10	500 mg ea	25.00	15.00	150.0%
20	Cytarabine (PDI, IJ {VIAL})	55390-0132-10	500 mg ea	25.00	7.50	42.9%
21	Cytarabine (PDI, IJ {VIAL})	55390-0133-01	1 gm ea	50.00	33.00	194.1%
22	Cytarabine (PDI, IJ {VIAL})	55390-0133-01	1 gm ea	50.00	33.50	203.0%
23	Cytarabine (PDI, IJ {VIAL})	55390-0133-01	1 gm ea	50.00	28.65	134.2%
24	Cytarabine (PDI, IJ {VIAL})	55390-0133-01	1 gm ea	50.00	15.00	42.9%
25	Cytarabine (PDI, IJ {VIAL})	55390-0134-01	2 gm ea	98.90	63.95	183.0%
26						

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1						
2	Cytarabine (PDI, IJ {VIAL})	55390-0134-01	2 gm ea	98.90	56.20	131.6%
3	Cytarabine (PDI, IJ {VIAL})	55390-0134-01	2 gm ea	98.90	28.90	41.3%
4	Cytarabine (PDI, IJ {VIAL})	55390-0806-10	100 mg ea	6.25	2.75	78.6%
5	Doxorubicin Hydrochloride (INJ, IJ {M.D.V.})	55390-0238-01	2 mg/ml, 100 ml	945.98	829.98	715.5%
6	Doxorubicin Hydrochloride (INJ, IJ {M.D.V.})	55390-0238-01	2 mg/ml, 100 ml	945.98	782.48	478.6%
7	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0235-10	2 mg/ml, 5 ml	47.35	36.85	351.0%
8	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0235-10	2 mg/ml, 5 ml	47.35	37.15	364.2%
9	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0236-10	2 mg/ml, 10 ml	94.70	74.70	373.5%
10	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0236-10	2 mg/ml, 10 ml	94.70	74.30	364.2%
11	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0237-01	2 mg/ml, 25 ml	236.74	202.74	596.3%
12	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0237-01	2 mg/ml, 25 ml	236.74	195.84	478.8%
13	Doxorubicin Hydrochloride (INJ, IJ {S.D.V.})	55390-0237-01	2 mg/ml, 25 ml	236.74	197.74	507.0%
14	Doxorubicin Hydrochloride (PDI, IJ {S.D.V.})	55390-0231-10	10 mg	45.07	35.42	367.0%
15	Doxorubicin Hydrochloride (PDI, IJ {S.D.V.})	55390-0231-10	10 mg	45.07	35.37	364.6%
16	Doxorubicin Hydrochloride (PDI, IJ {S.D.V.})	55390-0232-10	20 mg	90.16	72.91	422.7%
17	Doxorubicin Hydrochloride (PDI, IJ {S.D.V.})	55390-0232-10	20 mg	90.16	70.46	357.7%
18	Doxorubicin Hydrochloride (PDI, IJ {S.D.V.})	55390-0233-01	50 mg	225.40	193.40	604.4%
19						
20						
21						
22						
23						
24						
25						
26						

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	Doxorubicin					
2	Hydrochloride (PDI, IJ					
3	{S.D.V.})	55390-0233-01	50 mg	225.40	186.40	477.9%
4	Doxorubicin					
5	Hydrochloride (PDI, IJ					
6	{S.D.V.})	55390-0233-01	50 mg	225.40	188.65	513.3%
7	Etoposide (INJ, IJ					
8	{M.D.V.})	55390-0291-01	20 mg/ml, 5 ml	110.00	103.05	1482.7%
9	Etoposide (INJ, IJ					
10	{M.D.V.})	55390-0291-01	20 mg/ml, 5 ml	110.00	100.05	1005.5%
11	Etoposide (INJ, IJ		20 mg/ml, 25			
12	{M.D.V.})	55390-0292-01	ml	550.00	511.75	1337.9%
13	Etoposide (INJ, IJ		20 mg/ml, 25			
14	{M.D.V.})	55390-0292-01	ml	550.00	498.00	957.7%
15	Etoposide (INJ, IJ		20 mg/ml, 50			
16	{M.D.V.})	55390-0293-01	ml	1,100.00	1,000.10	1001.1%
17	Etoposide (INJ, IJ		20 mg/ml, 50			
18	{M.D.V.})	55390-0293-01	ml	1,100.00	1,025.05	1367.6%
19	Leucovorin Calcium					
20	(PDI, IJ {VIAL})	55390-0051-10	50 mg. 10s ea	18.44	15.69	570.5%
21	Leucovorin Calcium					
22	(PDI, IJ {VIAL})	55390-0051-10	50 mg. 10s ea	18.44	15.39	504.6%
23	Leucovorin Calcium					
24	(PDI, IJ {VIAL})	55390-0051-10	50 mg. 10s ea	18.44	16.19	719.6%
25	Leucovorin Calcium					
26	(PDI, IJ {VIAL})	55390-0051-10	50 mg. 10s ea	18.44	15.44	514.7%
27	Leucovorin Calcium					
28	(PDI, IJ {VIAL})	55390-0052-10	100 mg 10s ea	35.00	32.05	1086.4%
29	Leucovorin Calcium					
30	(PDI, IJ {VIAL})	55390-0052-10	100 mg 10s ea	35.00	31.00	775.0%
31	Leucovorin Calcium					
32	(PDI, IJ {VIAL})	55390-0052-10	100 mg 10s ea	35.00	32.00	1066.7%
33	Leucovorin Calcium					
34	(PDI, IJ {VIAL})	55390-0523-01	200 mg ea	78.00	70.25	906.5%
35	Leucovorin Calcium					
36	(PDI, IJ {VIAL})	55390-0523-01	200 mg ea	78.00	68.50	721.1%
37	Leucovorin Calcium					
38	(PDI, IJ {VIAL})	55390-0523-01	200 mg ea	78.00	70.25	906.5%
39	Methotrexate Sodium					
40	(INJ, IJ {S.D.V.})	55390-0031-10	25 mg/ml, 2 ml			
41			ea	6.88	4.58	199.1%
42	Methotrexate Sodium					
43	(INJ, IJ {S.D.V.})	55390-0031-10	25 mg/ml, 2 ml			
44			ea	6.88	4.18	154.8%
45	Methotrexate Sodium					
46	(INJ, IJ {S.D.V.})	55390-0031-10	25 mg/ml, 2 ml			
47			ea	6.88	3.98	137.2%
48	Methotrexate Sodium					
49	(INJ, IJ {S.D.V.})	55390-0032-10	25 mg/ml, 4 ml			
50			ea	8.75	5.65	182.3%
51	Methotrexate Sodium					
52	(INJ, IJ {S.D.V.})	55390-0032-10	25 mg/ml, 4 ml			
53			ea	8.75	5.15	143.1%

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0032-10	25 mg/ml, 4 ml ea	8.75	4.50	105.9%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0033-10	25 mg/ml, 8 ml ea	17.50	13.50	337.5%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0033-10	25 mg/ml, 8 ml ea	17.50	12.20	230.2%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0033-10	25 mg/ml, 8 ml ea	17.50	11.70	201.7%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0034-10	25 mg/ml, 10 ml ea	26.88	21.88	437.6%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0034-10	25 mg/ml, 10 ml ea	26.88	20.38	313.5%
Methotrexate Sodium (INJ, IJ {S.D.V.})	55390-0034-10	25 mg/ml, 10 ml ea	26.88	21.28	380.0%
Mitomycin (PDI, IJ {S.D.V.})	55390-0251-01	5 mg ea	128.05	93.55	271.2%
Mitomycin (PDI, IJ {S.D.V.})	55390-0251-01	5 mg ea	128.05	63.05	97.0%
Mitomycin (PDI, IJ {S.D.V.})	55390-0251-01	5 mg ea	128.05	72.05	128.7%
Mitomycin (PDI, IJ {S.D.V.})	55390-0252-01	20 mg ea	434.60	324.60	295.1%
Mitomycin (PDI, IJ {S.D.V.})	55390-0252-01	20 mg ea	434.60	274.60	171.6%
Mitomycin (PDI, IJ {S.D.V.})	55390-0252-01	20 mg ea	434.60	264.60	155.6%
Vinblastine Sulfate (PDI, IJ {VIAL})	55390-0091-10	10 mg ea	21.25	13.97	191.9%
Vinblastine Sulfate (PDI, IJ {VIAL})	55390-0091-10	10 mg ea	21.25	10.95	106.3%
Vinblastine Sulfate (PDI, IJ {VIAL})	55390-0091-10	10 mg ea	21.25	13.35	169.0%

309. As set forth above, the Boehringer Group's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

5. Other Acts of AWP Manipulation

310. Roxanne executives created spreadsheets in which they plotted how various pricing decisions and spreads would provide Roxanne with a competitive advantage. (CEC 2003-01924).

311. Thus, in a July 2000 memorandum, Roxanne noted “RLI must adjust AWP to match market leader to be competitive,” *i.e.*, Roxanne must match the spread. Roxanne did adjust the AWP.

I. B. Braun

312. B. Braun engages in an organization-wide and deliberate scheme to inflate AWP. B. Braun has stated fraudulent AWP for all or almost all of its drugs, including those set forth below. The specific drugs of B. Braun for which relief is sought in this case are set forth in Appendix A and identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
B. BRAUN		dextrose	Caloric Agent; Electrolyte Replenisher Used to increase intake of calories and fluids
		dextrose in lactated ringers	Caloric Agent; Electrolyte Replenisher Used to increase intake of calories and fluids
		dextrose w/ sodium chloride	Caloric Agent; Electrolyte Replenisher Used to increase intake of calories and fluids
		heparin sodium (porcine) in d5w	Blood Modifier Used to treat and prevent thrombosis and pulmonary embolism
		sodium chloride	Flush; Abortifacient Used to remove medicine and blockage from intravenous (IV) catheter. Also used to induce abortion
		sodium chloride (gu irrigant)	Flush; Abortifacient Used to remove medicine and blockage from intravenous (IV) catheter. Also used to induce abortion

1. B. Braun Has Been the Target of Government Investigations

313. In connection with its scheme to inflate AWP, B. Braun has been investigated by the United States Department of Justice, the Office of Inspector General of the Department of Health and Human Services, the Attorney General for the State of Texas, and the Attorney General for the State of California.

1 **2. B. Braun Controls the Published AWP for Its Products**

2 314. B. Braun has controlled and set the AWP for its pharmaceutical products through
3 direct communications with industry compendia.

4 **3. B. Braun's AWP Manipulation Benefited Providers at the Expense of**
5 **Co-Payors and Payors**

6 315. The purpose of B. Braun's manipulation was to increase the spread in order to
7 maximize the profit to providers and other intermediaries at the expense of payors. B. Braun
8 understood, as reflected in internal documents, that a higher AWP was advantageous with payors
9 who reimburse based on a cost plus arrangement.

10 316. B. Braun recognized that manipulating AWP to meet its competitors was
11 "scandalous," "unethical" and "fraudulent."

12 317. Despite discussing and memorializing its concerns, B. Braun promptly proceeded
13 to manipulate its AWP and market the spread in an effort to match the competition.

14 318. B. Braun, through its employees and agents, also provided free samples of its
15 drugs, and purported educational grants, to providers. The free samples and educational grants
16 would be used to offset the total cost associated with purchases of its drugs, thereby increasing
17 the spread, while also concealing the actual cost of the drug from co-payors and payors.

18 **4. Specific B. Braun AWP Documented by the DOJ**

19 319. In a report published by the DHHS (the "DHHS Report"), the DOJ documented at
20 least 23 instances where the published AWP for various dosages of three drugs manufactured by
21 B. Braun were substantially higher than the actual prices listed by wholesalers. The chart below
22 sets forth the three drugs identified by the DOJ and the spread associated with one particular
23 dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for
24 that particular dosage, based upon wholesalers' price lists, with the AWP reported by B. Braun in
25 the 2001 *Red Book*.
26

Drug	B. Braun's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Spread
Dextrose	\$11.28	\$1.61	\$9.67	601%
Dextrose Sodium Chloride	\$11.34	\$1.89	\$9.45	500%
Sodium Chloride	\$11.33	\$1.49	\$9.84	660%

5. Inflated AWP's From B. Braun Price Lists

320. In response to government subpoenas, B. Braun produced numerous price lists setting forth spreads between AWP's and prices offered to wholesalers, providers and other intermediaries. A review of those price lists reveal that B. Braun has consistently offered drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. Spreads on Intraipid were as high as 757%, Lactated ringers 1,063%, and Travasol 1,260%.

321. As set forth above, B. Braun's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

J. The BMS Group (Bristol-Myers Squibb, OTN and Apothecon)

322. The BMS Group has engaged in an ongoing deliberate scheme to inflate AWP's. The specific drugs for which relief is sought in this case are identified in Appendix A and/or are as follows:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
BMS GROUP (Bristol-Myers, Squibb, OTN and Apothecon)	Blenoxane	bleomycin sulfate	Antineoplastic Used in the treatment of various forms of cancer
	Carboplatin	paraplatin	Antineoplastic Used to treat cancer of the ovaries
	Coumadin	warfarin sodium	Anticoagulant (Blood Modifier) Used to promote clotting
	Cytosan INJ	cyclophosphamide	Antineoplastic Used in the treatment of various forms of cancer
	Monopril	fosinopril sodium	Antihypertensive Agent; Vasodilator (Cardiovascular Agent) Used to treat hypertension

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
	Monopril HCT	fosinopril sodium & hydrochloro-thiazide	ACE Inhibitor (Cardiovascular Agent) Used in the treatment of hypertension and congestive heart failure
	Rubex	doxorubicin hcl	Antineoplastic Used in the treatment of various forms of cancer
	Taxol	paclitaxel	Antineoplastic Used in the treatment of various forms of cancer
	Tequin IV	gatifloxacin	Antibacterial Agent (Anti-Infective Agent) Used to treat bacterial infections
	Vepesid IV	etoposide	Antineoplastic Used to treat cancer of the testicles and certain types of lung cancer
		amikacin sulfate	Antibiotic Agent (Anti-Infective Agent) Used to treat respiratory tract, urinary tract, bone, skin and soft tissue infections
		amphotercin b	Antifungal Agent (Anti-Infective Agent) Used to help the body overcome serious fungus infections

1. The BMS Group Has Been the Target of Government Investigations

323. In connection with its scheme to inflate AWP, BMS has been investigated by the United States Department of Justice, Commonwealth of Massachusetts, Office of Inspector General of the United States Department of Health and Human Services, Attorney General for the State of Texas, State of California Department of Justice Office of the Attorney General, State of California Department of Justice, Bureau of Medi-Cal Fraud and Elder Abuse, and the United States House of Representatives, Committee on Commerce. Defendant Apothecon has been investigated in connection with its scheme to inflate AWP by at least the Office of Medicare Fraud and Elder Abuse, and Office of Attorney General, State of Texas.

324. These investigations confirm that BMS engaged in an ongoing deliberate scheme to inflate AWP. For example, by letter dated February 27, 2001 to BMS, Representative Stark outlined numerous examples of illegal practices by BMS. Referring to a letter from Denise Kaszuba, a senior pricing analyst at BMS to *Medi-Span*, dated August 10, 1992 (BMSAWP/0011247), Representative Stark noted:

Bristol has control over the AWP, DPs, and WACs published for its drugs and directs national publishers to change their prices. Bristol directed a national publisher of drug prices to increase all of Bristol's AWP for oncology drugs by multiplying Bristol's supplied direct prices by a 25% factor rather than the previous 20.5% factor . . . The increase in the AWP created a spread that, in itself, provided a financial kickback to oncologists for prescribing Bristol's cancer drugs.

325. In the same letter, Representative Stark noted:

The evidence clearly shows that Bristol has intentionally reported inflated prices and has engaged in other improper business practices in order to cause its customers to receive windfall profits from Medicare and Medicaid when submitting claims for certain drugs. The evidence further reveals that Bristol manipulated prices for the express purpose of expanding sales and increasing market share of certain drugs where the arranging of a financial benefit or inducement would influence the decisions of healthcare providers submitting the Medicare and Medicaid claims.

2. The BMS Group Controls the Published AWP for Its Products

326. The BMS Group has controlled and set the AWP for its pharmaceutical products through direct communications with industry compendia. In one BMS document, Denise Kaszuba, a senior BMS Group pricing analyst, instructed the *Red Book* that:

Effective immediately, Bristol-Myers Oncology Division products factor used in determining the AWP should be changed from 20.5% to 25%. This change should not effect [*sic*] any other business unit of Bristol-Myers Squibb Company.

327. Other internal documents clearly indicate that BMS had direct control over the spread between its stated wholesale price and the published AWP. A BMS office dispatch dated September 9, 1992 notes the need for a mark up of the AWP over the stated wholesale price. "After reviewing the results of the wholesaler survey performed by Bristol Oncology . . . we have determined that for those items with a labeler 0003, we will use a 1.25 mark-up and for those items with the labeler 00015, we will use a 1.20 mark-up. We noticed too, that FDB and Redbook use a 1.20 for everything." (BMSAWP/0011246).

1 **3. BMS's AWP Manipulation Benefited Providers at the Expense of Co-Payors**
 2 **and Payors**

3 328. BMS was well aware that providers and other purchasers of its drugs were using
 4 the spread to determine whether to purchase its drugs. Indeed, BMS was aware of and tracked
 5 the prices and AWP's of its competitors in order to remain competitive. In an internal BMS
 6 memorandum, BMS identifies its competitors who sell etoposide (Gensia, Pharmacia, Abbott,
 7 Chiron, Ben Venue, Immunex and AstraZeneca) and their corresponding list price and AWP's.

8 329. BMS created AWP competitor analyses that tracked the AWP's of its competitors'
 9 relevant drugs, and used that data internally to propose suggested AWP's for BMS drugs.

10 330. BMS clearly believed that the maintenance of a spread on its drugs was important
 11 in gaining and maintaining market share. In an internal BMS document, concerning its drug
 12 Vepesid (etoposide), BMS noted:

13 The Etopophos product file is significantly superior to that of
 14 etoposide injection Currently, physician practice can take
 15 advantage of the growing disparity between Vepesid's list price
 16 (and, subsequently, the Average Wholesale Price) and the actual
 acquisition cost when obtaining reimbursement for etoposide
 purchases. If the acquisition price of Etopophos is close to the list
 price, the physician's financial incentive for selecting the brand is
 largely diminished.

17 331. Bristol-Myers created AWP competitor analyses that tracked the AWP's of its
 18 competitors' relevant drugs, and used that data internally to propose suggested AWP's for
 19 Bristol-Myers drugs. Bristol-Myers believed the maintenance of a spread on its drugs was
 20 important in gaining and maintaining market share. In an internal Bristol-Myers document,
 21 BMS articulated that physicians could take advantage of the growing disparity between
 22 Vepesid's listed AWP price and the actual acquisition cost when obtaining reimbursement for
 23 etoposide purchases. BMS realized that if the acquisition price came too close to the list price,
 24 then physician's financial incentive for selecting BMS' brand was diminished greatly.

25 332. The published AWP's for the drugs manufactured by BMS were substantially
 26 higher than the actual prices listed by wholesalers. Internal BMS documents showed the AWP

set by BMS for its drugs bore no relation to an *actual* wholesale price, and is greater than the highest price actually paid by providers.

4. Specific BMS AWP's Documented by the DOJ

333. In a report published by the DHHS, the DOJ documented numerous instances where the published AWP's for various dosages of five (5) drugs manufactured by the BMS Group were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the BMS Group drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by the BMS Group in the 2001 *Red Book*.

Drug	Manufacturer	BMS's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Amikacin Sulfate	Apothecon	\$32.89	\$17.31	\$15.58	90%
Amphotercin B	Apothecon	\$17.84	\$6.20	\$11.64	188%
Bleomycin Sulfate	BMS	\$609.20	\$509.29	\$99.91	20%
Cyclophosphamide	BMS	\$102.89	\$45.83	\$57.06	125%
Etoposide (Vepesid)	BMS	\$136.49	\$34.30	\$102.19	298%

334. Other sources reveal additional evidence of fraudulent AWP's for drugs manufactured and marketed by the BMS Group.

5. Other AWP's Related to Vepesid (etoposide)

335. The February 27, 2001 letter from Representative Stark to BMS noted that as to BMS "... the manipulated discrepancies between [BMS's] inflated AWP's and DP's versus their true costs are staggering. For example, in the 2000 edition of the *Red Book*, Bristol reported an AWP of \$1296.64 for ... Vepesid (Etoposide) for injection ... while Bristol was actually offering to sell the exact same drug to [a large national group purchasing organization] for \$70.00." The difference noted by Representative Stark represents a 1,752% spread related to Vepesid.

6. Other Evidence of Marketing the Spread

336. The chart below further evidences BMS Group drugs for which inflated AWP's were published:

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0539-41	100 mg ea	6.45	2.78	75.7%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0539-41	100 mg ea	6.45	2.53	64.5%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0539-41	100 mg ea	6.45	1.49	30.0%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0546-41	200 mg ea	12.25	6.42	110.1%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0546-41	200 mg ea	12.25	2.83	30.0%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0547-41	400 mg ea	25.71	18.21	242.8%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0547-41	400 mg ea	25.71	5.93	30.0%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0548-41	1 gm ea	51.43	36.43	242.9%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0548-41	1 gm ea	51.43	11.85	29.9%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0549-41	2 gm ea	102.89	73.72	252.7%
(CYCLOPHOSPHAMID E) Cytosan Lyophilized (PDJ, IJ, { VIAL })	00015-0549-41	2 gm ea	102.89	23.75	30.0%
(ETOPSIDE) Vepesid (INJ, IJ {M.D.V.})	00015-3084-20	20 mg/ml, 7.5 ml	204.74	153.29	297.9%
(ETOPSIDE) Vepesid (INJ, IJ {M.D.V.})	00015-3095-20	20 mg/ml, 5 ml	136.49	102.19	297.9%

337. Additional evidence of the phony nature of this Defendant's AWP arises from its manipulation of its reported AWP in late 2000 and 2001, when it increased its reported AWP for certain of the drugs identified in Appendix A across the board without any change in product or service offered. If these AWP were real, price increases would not be uniform and would bear a relationship to some product change. At the same time of these price increases, cost to providers did not increase, further evidencing the phony nature of the AWP. The specific drugs subject to this manipulation were BuSpar, Cefzil, Coumadin, Glucophage, Glucophage XR, Glucovance, Metaglip, Monopril, Monopril HCT, Pravachol, Serzone, Sinemet, Sinemet CR, and Tequin.

7. Other AWP Related to Blenoxane

338. BMS internal documents reveal that in 1995, BMS set the *Red Book* AWP for Blenoxane at \$276.29. At the same time, BMS was selling Blenoxane to oncologists practicing in St. Petersburg, Florida for only \$224.22. In 1996, BMS increased its reported AWP for Blenoxane to \$291.49, while continuing to sell the drug to oncologist for \$224.22. In 1997, BMS falsely reported that it had increased the AWP of Blenoxane to \$304.60, when in reality, BMS had lowered the price to oncologists to \$155.00. In 1998, BMS again reported a false AWP for Blenoxane of \$304.60 while further reducing the actual price to oncologists to \$140.00.

8. The BMS Group Provided Free Goods and Other Incentives

339. As part of its scheme, the BMS Group also used free drugs and other goods to encourage participation by physicians. Thus, for example, the BMS Group provided free Etopophos® to two Miami oncologists in exchange for their agreement to purchase other BMS Group cancer drugs. Similarly, other documents show that the BMS Group provided free Cytogards in order to create a lower-than-invoice cost to physicians that purchased other cancer drugs through OTN. (A Cytogard is a device that prevents spillage of intravenous administered treatments such as BMS's cancer drug Etopophos®.)

340. As set forth above, the BMS Group's scheme to inflate its reported AWP, market the resulting spread, and channel to providers "free" goods – all in order to increase the market share of its drugs – has resulted in excessive overpayments by co-payors and payors.

341. For example, in a report published by DHHS, the DOJ documented at least 12 instances where the published AWP for drugs manufactured by the BMS Group were substantially higher than the actual prices listed by wholesalers.

342. The chart below sets forth five examples where the BMS Group deliberately inflated AWP that it reported for BMS Group drugs. These figures compare the DOJ's determination of an accurate AWP, based upon wholesalers' price lists, with the AWP reported by the BMS Group in the 2001 *Red Book*.

Drug	Manufacturer	BMS's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Amikacin Sulfate	Apothecon	\$32.89	\$17.31	\$15.58	90%
Amphotercin B	Apothecon	\$17.84	\$6.20	\$11.64	188%
Bleomycin Sulfate	BMS	\$609.20	\$509.29	\$99.91	20%
Cyclophosphamide	BMS	\$102.89	\$45.83	\$57.06	125%
Etoposide (Vepesid)	BMS	\$136.49	\$34.30	\$102.19	298%

343. In 1997, an OIG Report identified three other Medicare Part B drugs with inflated AWP – which the 1997 *Red Book* indicates were manufactured only by the BMS Group at that time: Paraplatin® (carboplatin), Rubet® (doxorubicin hydrochloride), and Taxol® (paclitaxel). Sales of these inflated drugs were substantial. For example, Paclitaxel generated \$941 million in revenue for the BMS Group in 1997, and Carboplatin generated \$702 million in revenue in 2001.

344. The government's investigation uncovered other drugs for which the BMS Group was stating a fraudulent AWP. Specifically:

- a. In the 2000 edition of the *Red Book*, BMS reported an AWP of \$1,296.64 for Vepesid (Etoposide) for injection while BMS was actually offering to sell the exact same drug to a large customer for only \$70.00.
- b. From 1995 through 1998, the *Red Book* listed AWP for BMS' Blenoxane 15u increased from \$276.29 to \$304.60,

1 while the actual cost to physicians declined from \$224.22
2 to \$140.00, resulting in a spread of \$164.60 in 1998.

3 345. An internal BMS Group document shows that the AWP set by the BMS Group for
4 its drugs bears no relation to an *actual* wholesale price, and is greater than the highest price
5 actually paid by providers. More specifically, in a discussion about lowering Vepesid's AWP in
6 order to create sales for Etopophos, the BMS Group stated that the "AWP for Vepesid would be
7 reduced from its current level to the highest bid price currently in the marketplace."

8 346. BMS Group documents also reveal that physicians were making medical
9 decisions based on how much profit they could make from the AWP manipulated spread. In
10 considering provider choice between BMS drugs Etopophos® and Vepesid® (Etoposide), the
11 BMS Group noted that:

12 The Etopophos product file is significantly superior to that of
13 etoposide injection Currently, physician practice can take
14 advantage of the growing disparity between Vepesid's list price
15 (and, subsequently, the Average Wholesale Price) and the actual
16 acquisition cost when obtaining reimbursement for etoposide
17 purchases. If the acquisition price of Etopophos is close to the list
18 price, the physician's financial incentive for selecting the brand is
19 largely diminished.

20 347. While the BMS Group and other Defendants have placed the blame for setting
21 published AWP's on the publications in which the AWP's are contained, another BMS Group
22 document demonstrates that publications reporting AWP's had no discretion to set AWP's, and
23 instead published verbatim the prices reported by the BMS Group and other Defendants. In the
24 document, Denise Kaszuba, a senior BMS Group pricing analyst, instructed the *Red Book* that:

25 Effective immediately, Bristol-Myers Oncology Division products
26 factor used in determining the AWP should be changed from
20.5% to 25%. This change should not effect [*sic*] any other
business unit of Bristol-Myers Squibb Company.

27 **9. BMS and Injectable Drugs**

28 348. BMS has been aggressively marketing the spread for injectable drugs using
29 discounts, rebates, and other incentives to lower the price for its drugs while maintaining the
30 AWP or raising it. This marketing includes physician-administered drugs, Cytosan, Blenoxane,

Vepesid, and Taxol. Spreads between AWP and acquisition cost are as high as 447% for Cytosan, 1,067% for Vepesid, 300% for Blenoxane, and 168% for Taxol.

10. BMS and Brand-Name Drugs

349. For brand-name drugs, BMS has inflated AWP by use of rebates, bundles and discounts, and has created secret spreads for brand-name drugs like Coumadin that are as high as 376%.

K. Dey

350. Dey engages in an organization-wide and deliberate scheme to inflate AWP's. Dey has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of Dey for which relief is sought in this case are set forth in Appendix A, and/or are identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
DEY		acetylcysteine	Mucolytic (Respiratory Agent: Diagnostic Aid) Used for certain lung conditions when increased amounts of mucus make breathing difficult
		albuterol or albuterol sulfate	Bronchodilator (Respiratory Agent) Used for relief of bronchospasm in asthma sufferers
		cromolyn sodium	Antiallergic and Mast Cell Stabilizer Used to help prevent or treat the symptoms of seasonal or chronic allergic rhinitis
		ipratropium bromide	Bronchodilator (Respiratory Agent) Used for relief of bronchospasm in asthma sufferers
		metaproterenol sulfate	Bronchodilator (Respiratory Agent) Used for relief of bronchospasm in asthma sufferers

1. Dey Has Been the Target of Government Investigations

351. In connection with its scheme to inflate AWP's, Dey has been investigated by the United States Department of Justice, United States Department of Health and Human Services, Office of Inspector General, the United States District Attorney for the District of Massachusetts, the Attorney General of the State of California, the Attorney General for the State of Texas, the

Attorney General of the State of Connecticut, and the District Attorney for the County of Suffolk, New York State.

352. These investigations confirm that Dey has engaged in a deliberate scheme to inflate the published AWP's for many of its drugs. For instance, Dey's spread for albuterol sulfate, a drug that constituted 37% of Dey's income in 1998, drastically increased between 1992 and 1998. In 1992, Dey's *Red Book* AWP for albuterol sulfate (.083% concentration, 3 ml) was \$32.30. McKesson's wholesale price for the drug was \$25.45 (a spread of \$6.85 or 27%). By 1998, Dey's *Red Book* AWP for the same concentration/dose of albuterol sulfate had barely slipped to \$30.25, while McKesson's wholesale price had plummeted to \$10.00 (a spread of \$20.25 or 202%). See September 25, 2000 letter from U.S. Rep. Bliley to Nancy-Ann Min DeParle.

353. The federal government is not the only entity to uncover Dey's scheme to inflate AWP's. The Attorneys General of Texas and West Virginia recently discovered that due to over inflated AWP's, both state's Medicaid Programs have been defrauded by Dey for millions of dollars. Texas alleges that, between 1995 and 1999, it paid \$13.7 million for Dey's albuterol sulfate and ipratropium bromide, when it should have paid only \$8.7 million – an overcharge of \$5 million. West Virginia alleges that Dey and others manipulated the AWP to significantly overcharge state agencies and residents for several drugs, including albuterol, from at least 1995 through 2000.

354. In its own suit against Dey and other pharmaceutical manufacturers for AWP manipulation, the Attorney General for the State of Connecticut documented significant spreads between Dey's published AWP's and actual wholesale prices for many of its drugs. Incorporated below are examples cited by the Connecticut Attorney General:

Drug	NDC #	Year	AWP	ACTUAL PRICE	SPREAD	% OVERCHARGE
ALBUTEROL	49502-0303-17	1996	\$21.70	\$3.25	\$18.45	488%
IPATROPIUM BORMIDE	49502-0685-03	2001	\$44.10	\$8.35	\$35.58	355%

IPATROPIUM BROMIDE	49502-0685-03	2000	\$44.10	\$11.45	\$32.65	239%
IPATROPIUM BROMIDE	49502-0685-03	1999	\$44.10	\$11.45	\$30.11	177%

2. Dey Controls the Published AWP for Its Products

355. Dey has controlled and set the AWP for its pharmaceutical products through direct communications with industry compendia. Dey's own documents indicate that it initially set both the AWP and WAC for its products and also regularly approved subsequent AWP and WACs published by industry compendia.

3. Dey's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors

356. The purpose of Dey's AWP manipulation was to increase the spread in order to maximize the profit to providers and other intermediaries. This is clear from Dey's own documents. For example:

a. Dey was aware that its customers were "spread shopping" and competed by increasing the spread to its customers. In an internal worksheet filled out by Dey in preparation for a bid of potential sales to one of its customers, Dey listed the current contract price of various products as well as a recommended new contract price. In the notes next to these figures the worksheet states: "This account needs AWP-40% or better to see profit due to the employer groups they serve. Have not made the switch to our product line due to the spread" (DL-TX-0014029).

b. Competition between generic products produced by Dey was fierce and the spread was a major factor in this competition. In another similar bid price worksheet for a different customer, the corresponding notes state "cromolyn pricing is at AWP-40% and 35% respectively – bear in mind that we are competing with the branded spread and the generic perception of [sic] everything should be AWP-60%." (DL-TX-0014439).

357. This competition came at the expense of co-payors and payors whose payments were based on AWP. For instance, albuterol sulfate, a multi-source drug and one of Dey's top

1 selling products, was a focus of the federal government's investigation into AWP inflation. OIG
 2 found that "Medicare's reimbursement amount for albuterol was nearly six times higher than the
 3 median catalog price" and that "Medicare and its beneficiaries would save between \$226 million
 4 and \$245 million a year if albuterol were reimbursed at prices available to suppliers." *See*
 5 "Excessive Medicare Reimbursement for Albuterol," OEI-03-01-00410, March 2002.

6 358. The OIG determined that the Medicare-allowed amount for albuterol sulfate in
 7 1996 was \$0.42. However the actual wholesale price was \$0.15, and the highest available
 8 wholesale price was \$0.21.

9 359. GAO also found that albuterol sulfate was one of a small number of products that
 10 accounted for a large portion of Medicare spending and volume. More specifically, albuterol
 11 sulfate ranked first in volume of units covered by Medicare, accounting for 65.8% of total units
 12 reimbursed. Furthermore, albuterol sulfate accounted for 6.3% of total Medicare spending,
 13 ranking fifth out of more than 400 covered drugs. *See* GAO Report to Congressional
 14 Committees, MEDICARE: Payments for Covered Outpatient Drugs Exceed Providers' Cost,
 15 Tables 1 and 2, pp. 7-8.

16 4. Specific Dey AWP's Documented by the DOJ

17 360. In a report published by the DHHS, the DOJ documented at least 15 instances
 18 where the published AWP's for various dosages of four drugs manufactured by Dey were
 19 substantially higher than the actual prices listed by wholesalers. The chart below sets forth the
 20 drugs identified by the DOJ and the spread associated with one particular dosage of each of the
 21 four drugs. These figures compare the DOJ's determination of an accurate AWP for that
 22 particular dosage, based upon wholesalers' price lists, with the AWP reported by Dey in the
 23 2001 *Red Book*.

24 Drug in Lowest Dosage Form	2001 <i>Red Book</i> AWP	DOJ Determined AWP	Difference	Percentage Spread
25 Acetylcysteine	\$59.88	\$25.80	\$34.08	132%
26 Albuterol Sulfate	\$30.25	\$9.17	\$21.08	230%

Cromolyn Sodium	\$42.00	\$23.01	\$18.99	82%
Metaproterenol Sulfate	\$30.75	\$11.29	\$19.46	172%

5. Inflated Dey AWP's From Dey's Price Lists

361. According to Dey's own documents, the published AWP's for many of its own products were higher than the actual prices charged wholesalers and other intermediaries.

Table 1 below is excerpted from a pricing proposal by Dey to McKesson Drug Company, one of the county's largest wholesalers, dated December 20, 1995.

Table 1

Generic Name	Strength	Size	AWP	WAC	Suggested Sell Price	% Discount from WAC	% Spread
Acetylcysteine Solution	10%	4 mL	\$67.80	\$25.80	\$18.00	-40.0%	277%
Acetylcysteine Solution	10%	10 mL	\$40.26	\$15.27	\$13.50	-30.0%	198%
Acetylcysteine Solution	10%	30 mL	\$110.48	\$41.97	\$33.50	-35.0%	230%
Acetylcysteine Solution	20%	4 mL	\$81.36	\$31.08	\$21.50	-40.0%	278%
Acetylcysteine Solution	20%	10 mL	\$48.66	\$18.57	\$16.20	-30.0%	200%
Acetylcysteine Solution	20%	30 mL	\$133.43	\$50.64	\$39.90	-35.0%	234%
Acetylcysteine Solution	20%	100 mL	\$92.21	\$75.90	\$59.90	-40.0%	54%
Albuterol Sulfate Inhalation Soln.	0.083%	3 mL	\$30.25	\$14.50	\$12.00	-29.3%	152%
Albuterol Sulfate Inhalation Soln.	0.083%	3 mL	\$36.30	\$17.40	\$14.40	-29.3%	152%
Albuterol Sulfate Inhalation Soln.	0.083%	3 mL	\$72.60	\$34.50	\$28.80	-28.7%	152%
Cromolyn Sodium Inhalation, USP	20 mg/2ml	2 mL	\$42.00	\$34.20	\$29.00	-25.0%	45%
Cromolyn Sodium Inhalation, USP	20 mg/2ml	2 mL	\$84.00	\$66.00	\$58.00	-22.3%	45%
Metaproterenol Sulfate Inhalation Soln.	0.4%	2.5 mL	\$30.75	\$11.00	\$10.00	-21.5%	207%
Metaproterenol Sulfate Inhalation Soln.	0.6%	2.5 mL	\$30.75	\$11.00	\$10.00	-21.5%	207%
Sodium Chloride Solution	0.9%	3 mL	\$24.20	\$13.00	\$10.94	-32.7%	121%
Sodium Chloride Solution	0.9%	5mL	\$24.20	\$13.00	\$10.94	-32.7%	121%

(DL-TX 0011179).

362. Additional manipulation of Dey AWP's occurred as set forth below:

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
Acetylcysteine (SOL, IH, 10%)	49502-0181-10	10 ml 3s	40.26	24.99	163.7%
Acetylcysteine (SOL, IH, 10%)	49502-0181-30	30ml 3s	110.48	68.51	163.2%
Acetylcysteine (SOL, IH, 10%)	49502-0184-04	4 ml 12 s	67.80	42.00	162.8%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
Acetylcysteine (SOL, IH, 20%)	49502-0182-00	100ml ea	92.21	16.31	21.5%
Acetylcysteine (SOL, IH, 20%)	49502-0182-04	4 ml 12 s	81.36	50.28	161.8%
Acetylcysteine (SOL, IH, 20%)	49502-0182-10	10 ml 3s	48.66	30.09	162.0%
Acetylcysteine (SOL, IH, 20%)	49502-0182-30	30ml 3s	133.43	82.79	163.5%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0196-20	0.5%, 20ml	14.99	8.49	130.6%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0196-20	0.5%, 20ml	14.99	9.67	181.8%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0697-03	3 ml 25s UD	30.25	20.75	218.4%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0697-03	3 ml 25s UD	30.25	21.41	242.2%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0697-33	3 ml 30s UD	36.30	24.90	218.4%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0697-33	3 ml 30s UD	36.30	25.69	242.1%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0697-60	3 ml 60s UD	72.60	49.80	218.4%
Albuterol Sulfate (SOL, IH, 0.083%)	49502-0697-60	3 ml 60s UD	72.60	51.38	242.1%
Cromolyn Sodium (SOL, IH, 10 mg/ml)	49502-0689-02	2 ml 60s UD	42.00	18.25	76.8%
Cromolyn Sodium (SOL, IH, 10 mg/ml)	49502-0689-02	2 ml 60s UD	42.00	19.74	88.7%
Cromolyn Sodium (SOL, IH, 10 mg/ml)	49502-0689-12	2 ml 120s UD	84.00	37.10	79.1%
Cromolyn Sodium (SOL, IH, 10 mg/ml)	49502-0689-12	2 ml 120s UD	84.00	39.48	88.7%
Metaproterenol Sulfate (SOL, IH {SULFATE FREE})	49502-0676-03	0.6%, 2,500 ml 25s UD	30.75	19.75	179.5%
Metaproterenol Sulfate (SOL, IH {SULFATE FREE})	49502-0676-03	0.6%, 2,500 ml 25s UD	30.75	19.17	165.5%
Metaproterenol Sulfate (SOL, IH {SULFATE FREE})	49502-0678-03	0.4%, 2,500 ml 25s UD	30.75	19.75	179.5%
Metaproterenol Sulfate (SOL, IH {SULFATE FREE})	49502-0678-03	0.4%, 2,500 ml 25s UD	30.75	19.17	165.5%

6. Dey Provided Free Goods and Other Incentives

363. In addition to marketing the spread, Dey has utilized other impermissible inducements to stimulate sales of its drugs without accounting for them in its WAC or AWP. These inducements were designed to result in a lower net cost to the provider while concealing the actual wholesale price beneath a high invoice price. By utilizing “off-invoice” inducements, Dey provided purchasers with substantial discounts meant to gain their patronage while maintaining the fiction of a higher wholesale price.

364. For example, in an announcement of a special incentive program to its customers to induce the purchase of its Ipratropium Bromide Inhalation solution, Dey sent its customers an offer sheet entitled “Profitability Enhancement For You” in which it stated “[f]or every dollar of Dey Cromolyn Sodium unit-dose purchased, Dey will provide free goods of either: Coromolyn Sodium Inhalation Solution 0.02%, 2.5ml, at 1.0 times the rebate amount -OR- Ipatropium Bromide Inhalation Solution 0.02%, 2.5ml, when it launches, at a value of 1.5 times the rebate amount for Cromolyn.” (DL-TX-0004775).

7. Dey Has Concealed Its AWP Manipulation

365. In an effort to conceal the existence of a spread from end payors, Dey concealed the true wholesale prices of its drugs. For instance, in a handwritten memorandum to Dey’s pricing committee a potential pricing structure with a customer was discussed:

“I met with IPC to discuss our contract offer (illegible). . . Tom Konnelly (IPC) said he wanted to keep net pricing hidden from 3rd parties by increasing in the purchase price on our offer by 25%. IPC then requires a 25% rebate back to IPC. . . I have remarked the pricing. If this offer is accepted, the higher price will go into McKesson as a chargeback contract. Dey will then rebate IPC 25% on contract purchases on a quarterly basis. . .”

(DL-TX-0024844).

366. As set forth above, Dey’s scheme to inflate its reported AWP’s and market the resulting spread to increase the market share of its drugs and its use of other “off invoice” rebates

and financial inducements to its customers has resulted in excessive overpayments by co-payors and payors.

L. The Fujisawa Group (Fujisawa Pharmaceutical, Fujisawa Healthcare, and Fujisawa USA)

367. Fujisawa engages in an organization-wide and deliberate scheme to inflate AWP's. Fujisawa has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of Fujisawa for which relief is sought in this case are set forth in Appendix A and/or are identified as follows:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
FUJISAWA GROUP (Fujisawa Healthcare, Fujisawa Pharmaceutical and Fujisawa USA)	Aristocort	triamcinolone, triamcinolone diacetate or triamcinolone acetonide	Anti-Inflammatory, Steroidal; Used in the treatment of asthma
	Aristospan	triamcinolone hexacetonide	Anti-Inflammatory Agent, Steroidal Used to provide relief for inflamed areas of the body
	Cefizox	ceftizoxime sodium or ceftizoxime in d5w	Antibiotic Agent (Anti-Infective Agent) General antibiotic
	Cyclocort	amcinonide	Anti-Inflammatory Agent Used to treat inflammatory symptoms of skin disorders
	Lyphocin	vancomycin hydrochloride	Antibacterial Agent Used to treat infections in many different parts of the body
	Nebupent	pentamidine isothionate	Antiprotozoal Agent Used to try to prevent Pneumocystis carinii pneumonia
	Pentam 300	pentamidine isethionate	Anti-Infective Agent Used in the treatment of pneumonia
	Prograf	tacrolimus	Immunosuppressant Used to lower the body's natural immunity in patients who receive organ transplants
		acyclovir sodium	Antiviral Agent Used to treat herpes simplex infections, varicella-zoster (chickenpox) in people with weakened immune systems, and severe genital herpes infections
		dexamethasone sodium phosphate	Anti-Inflammatory Agent; Antiemetic (Gastrointestinal Agent) Used in various applications to treat inflamed areas of the body

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
		doxorubicin hydrochloride	Antineoplastic Used in the treatment of ovarian cancer and AIDS-related Kaposi's sarcoma
		fluorouracil	Antineoplastic Used to treat cancer, including colon, rectum, breast, stomach, and pancreas
		gentamicin sulfate	Antibacterial Agent Used to treat serious bacterial infections
		vinblastine sulfate	Antineoplastic Used in the treatment of various forms of cancer, including lymphoma and breast cancer

1. Fujisawa Has Been the Target of Government Investigations

368. In connection with its scheme to inflate AWP, Fujisawa has been investigated by the United States Department of Justice, the Office of Inspector General of the Department of Health and Human Services, the Attorney General for the State of Texas, and the Attorney General for the State of California.

2. Fujisawa Controls the Published AWP for Its Products

369. Fujisawa controlled and set the AWP for its pharmaceutical products through direct communications with industry compendia.

3. Fujisawa's AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors

370. The purpose of Fujisawa's manipulation was to increase the spread in order to maximize the profit to providers and other intermediaries at the expense of co-payers and payors.

371. Fujisawa, in a conscious effort to increase the spread for providers and intermediaries, changed its AWP and marketing practices accordingly.

372. In an October 5, 1993 interoffice memorandum discussing Fujisawa's communications with industry pricing compendia, Fujisawa acknowledged that the AWP for nearly all of its products are inflated.

4. Specific Fujisawa AWP's Documented by the DOJ

373. In a report published by the DHHS (AB-00-86), the DOJ documented at least 35 instances where the published AWP's for various dosages of six drugs manufactured by Fujisawa were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the six drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by Fujisawa in the 2001 *Red Book*.

Drug	The Fujisawa Group's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Acyclovir Sodium	\$565.10 ⁶	\$371.50	\$193.60	52%
Dexamethasone Sodium Phosphate	\$1.04 ⁷	\$.66	\$.38	58%
Fluorouracil	\$2.87	\$1.20	\$1.67	139%
Gentamycin Sulfate	\$12.64 ⁸	\$5.40	\$7.24	134%
Pentamidine Isethionate	\$98.75	\$36.00	\$62.75	174%
Vancomycin Hydrochloride	\$10.97 ⁹	\$7.00	\$3.97	57%

(P006299-006316).

5. Inflated AWP's From Fujisawa Price Lists

374. In response to government subpoenas, Fujisawa produced numerous price lists setting forth spreads between AWP's and prices offered to wholesalers, providers, and other intermediaries. A review of those price lists reveal that Fujisawa has consistently offered drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. Spreads between AWP and acquisition cost are 196%, 392%, 885%, 528%, and 989%, depending on the drug at issue.

⁶ Calculation based on the AWP listed in the 1998 *Red Book*.

⁷ Calculation based on the AWP listed in the 1998 *Red Book*.

⁸ Calculation based on the AWP listed in the 1998 *Red Book*.

⁹ Calculation based on the AWP listed in the 1998 *Red Book*.

375. Additional drugs for which Fujisawa manipulated the AWP through false reporting of AWP is evidenced in part by the following spreads:

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
(PENTAMIDINE ISETHIONATE) Nebupent (PDR, IH {S.D.V., P.F.})	57317-0210-06	300 mg ea	98.75	62.75	174.3%
(PENTAMIDINE ISETHIONATE) Nebupent (PDR, IH {S.D.V., P.F.})	63323-0877-15	300 mg ea	98.75	62.75	174.3%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	00469-2210-30	500 mg ea	10.97	3.97	56.7%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	00469-2840-40	1 gm ea	20.35	7.35	56.5%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	00469-2951-00	5 gm ea	136.32	64.82	90.7%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	63323-0284-20	1 gm ea	20.35	7.35	56.5%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	63323-0295-41	5 gm ea	136.32	64.82	90.7%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	63323-0314-61	10 gm ea	272.64	129.64	90.7%
(VANCOMYCIN HYDROCHLORIDE) Lymphocin (PDI, IJ {VIAL})	63323-2210-30	500 mg ea	10.97	3.97	56.7%
Gentamicin Sulfate (INJ, IJ {M.D.V.})	00469-1000-40	40 mg/ml, 20 ml	12.64	7.24	134.1%
Gentamicin Sulfate (INJ, IJ {M.D.V.})	63323-0010-20	40 mg/ml, 20 ml	12.64	9.14	261.1%
Gentamicin Sulfate (INJ, IJ {M.D.V.}, BULK PACKAGE)	00469-1000-60	40 mg/ml, 50 ml	32.59	25.59	365.6%
Gentamicin Sulfate (INJ, IJ {M.D.V.}, BULK PACKAGE)	63323-0010-50	40 mg/ml, 50 ml	32.59	25.59	365.6%

376. As set forth above, Fujisawa's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by payors.

M. Immunex

377. Immunex engages in an organization-wide and deliberate scheme to inflate AWP's. Immunex has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of Immunex for which relief is sought in this case are set forth in Appendix A and/or are identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
IMMUNEX	Leukine	sagramostin	Antineutropenic Agent Used to help produce bone marrow and white blood cells
	Novantrone	mitoxane hydrochloride	Antineoplastic Used in the treatment of multiple sclerosis and various forms of cancer
	Thioplex	lyophilized thiotepa	Antineoplastic Used in the treatment of ovarian and breast cancer, lymphoma and bladder tumors
		leucovorin calcium	Antianemic Agent (Blood Modifier) Used in the treatment of anemia
		methotrexate sodium	Antineoplastic Used in the treatment of various forms of cancer

1. Immunex Has Been the Target of Government Investigations

378. In connection with its scheme to inflate AWP's, Immunex has been investigated by the United States Department of Justice, the Office of Inspector General of the Department of Health and Human Services, the Attorney General for the State of Texas, and the Attorney General for the State of California.

2. Immunex Definition and Understanding of AWP

379. Immunex's internal documents reveal that it understood how industry compendia defined and utilized AWP's.

1 **3. Immunex Controls the Published AWP for its Products**

2 380. Immunex controlled and set the AWP for its pharmaceutical products through
3 direct communications with industry compendia. In 2000, in the midst of numerous government
4 investigations concerning AWP manipulation, Immunex denied responsibility for controlling the
5 published AWP for its products. For example, in an October 26, 2000 letter to *Red Book*,
6 Immunex states in pertinent part:

7 As requested, enclosed please find an updated summary of list
8 pricing and package information for Immunex products. Please
9 note that Immunex Corporation is not responsible for setting the
 Average Wholesale Price (AWP). Therefore, we do not set or
 approve AWP information for any Immunex products.

10 Previously, in a 1996 interview, an Immunex spokesperson had informed Barron's that "drug
11 manufacturers have no control over the AWP published." (IAWP003071) (Hooked on Drugs,"
12 Barron's, Jun. 10, 1996).

13 381. Immunex's internal documents, however, establish that it controlled the AWP for
14 all of its products.

15 **4. Immunex's AWP Manipulation Benefited Providers at the Expense of Co-**
16 **Payors and Payors**

17 382. The purpose of Immunex's manipulation was to increase the spread in order to
18 maximize the profit to providers and other intermediaries at the expense of co-payors and payors.
19 Immunex understood that providers and intermediaries were reimbursed at AWP – and benefited
20 from a larger spread.

21 a. In an internal document entitled "Health Care Policy Fast Facts," created
22 in 1995, Immunex urged its sales personnel to remember "[p]hysician's offices use their own
23 charge schedule for billing purposes, and get reimbursed at AWP, based on the published prices
24 in the pricing databases."

25 b. Recently, in a January 3, 2000 interoffice memorandum, Immunex
26 discussed the significant revenues to be made by providers which used its Leucovorin and
Methotrexate products. Specifically, Immunex stated that, "Leucovorin and Methotrexate

1 represent significant revenue sources for the physician office or clinic. Due to the ‘spread’
 2 (difference between acquisition cost and AWP), physicians have reaped substantial profits.”

3 383. Immunex, in a conscious effort to increase the spread for providers and
 4 intermediaries, changed its AWP’s and marketing practices accordingly. In a February 21, 1997
 5 internal memorandum discussing reimbursement on its products, in pertinent part, Immunex
 6 stated:

7 The following are the reimbursement schema for Leukine,
 8 Novantrone, Thioplex and Leucovorin:

9 Here’s the way it works [for Leukine] – the Red Book Price
 10 (AWP) for our 250 mcg is \$117.79 and \$221.71. **However**, payors
 11 take the \$117.79 and divide it by 5, now that we bill per 50 mcg
 12 increments. This is equal to \$23.56 per 50 mcg, hence
 13 reimbursement on a 500 mcg vial is \$235.60. We need to take into
 14 account that in some AOR markets they get AWP or AWP plus a
 15 percentage, in others, depending on the makeup of the patient
 16 population, they may only get the 80% Medicare allowable
 (\$188.48). So here’s what the spread looks like:

\$235.60 (AWP)	\$188.48
	(80% Medicare allowable)
- <u>\$112.06</u> (AOR contract price)	- <u>\$112.06</u>
+\$123.54 per 500 mcg vial	\$76.42 (68% spread)
(110% spread)	

17 384. Immunex performed an analysis of competitive AWP pricing and established a
 18 “Reimbursement Hotline” for a number of its products.

19 385. Immunex, through its employees and agents, also provided free samples of its
 20 drugs to customers. The free samples would be used to offset the total cost associated with
 21 purchases of its drugs, thereby increasing the spread, while also concealing the actual cost of the
 22 drug from co-payors and payors.

23 5. Specific Immunex AWP’s Documented by the DOJ

24 386. In a report published by the DHHS (the “DHHS Report”), the DOJ documented at
 25 least seven instances where the published AWP’s for various dosages of two drugs manufactured
 26 by Immunex were substantially higher than the actual prices listed by wholesalers. The chart
 below sets forth the two drugs identified by the DOJ and the spread associated with one

particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by Immunex in the 2001 *Red Book*.

Drug	2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Percentage Spread
Leucovorin Calcium	\$137.94	\$14.58	\$123.36	846%
Methotrexate Sodium	\$20.48	\$7.10	\$13.38	188%

(P006299-P006316).

387. In a report published by DHHS in 1997, the Department undertook an analysis of the twenty drug codes that represented the largest dollar outlays to the Medicare Program and compared Medicare's payments with the prices available to the physician and supplier communities. For mitoxantrone hydrochloride, sold by Immunex under the brand-name Novantrone, the DHHS found that Medicare paid \$172.81, while the actual average wholesale price was \$142.40, resulting in a spread of 21.36%. "Excessive Medicare Payments for Prescription Drugs" (Dec. 1997).

6. Inflated AWP's From Immunex Price Lists

388. In response to government subpoenas, Immunex produced numerous price lists setting forth spreads between AWP's and prices offered to wholesalers, providers, and other intermediaries. A review of those price lists reveal that Immunex has consistently offered drugs and other solutions to its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. The following is an example of phony AWP's and the spread created for Immunex drugs:

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
(METHOTREXATE SODIUM) LPF (INJ, II {S.D.V., P.F.})	58406-0683-12	25 mg/ml, 8 ml	16.73	11.73	234.6%
(METHOTREXATE SODIUM) LPF (INJ, II {S.D.V., P.F.})	58406-0683-12	25 mg/ml, 8 ml	16.73	9.88	144.2%

	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
1	(METHOTREXATE					
2	SODIUM) LPF (INJ, IJ					
3	{S.D.V., P.F.})	58406-0683-12	25 mg/ml, 8 ml	16.73	10.23	157.4%
4	(METHOTREXATE					
5	SODIUM) LPF (INJ, IJ	58406-0683-15	25 mg/ml, 2 ml	4.75	2.75	137.5%
6	{S.D.V., P.F.})	58406-0683-15	25 mg/ml, 2 ml	4.75	1.00	26.7%
7	(METHOTREXATE					
8	SODIUM) LPF (INJ, IJ	58406-0683-15	25 mg/ml, 2 ml	4.75	2.35	97.9%
9	{S.D.V., P.F.})	58406-0683-15	25 mg/ml, 2 ml	4.75	1.25	35.7%
10	(METHOTREXATE					
11	SODIUM) LPF (INJ, IJ	58406-0683-16	25 mg/ml, 10 ml	20.48	15.48	309.6%
12	{S.D.V., P.F.})	58406-0683-16	25 mg/ml, 10 ml	20.48	13.33	186.4%
13	(METHOTREXATE					
14	SODIUM) LPF (INJ, IJ	58406-0683-16	25 mg/ml, 10 ml	20.48	10.98	115.6%
15	{S.D.V., P.F.})	58406-0683-16	25 mg/ml, 10 ml	20.48	13.73	203.4%
16	(METHOTREXATE					
17	SODIUM) LPF (INJ, IJ	58406-0683-18	25 mg/ml, 4 ml	8.50	3.60	73.5%
18	{S.D.V., P.F.})	58406-0683-18	25 mg/ml, 4 ml	8.50	4.48	111.4%
19	(METHOTREXATE					
20	SODIUM) LPF (INJ, IJ	58406-0683-18	25 mg/ml, 4 ml	8.50	3.65	75.3%
21	{S.D.V., P.F.})	58406-0683-18	25 mg/ml, 4 ml	8.50	5.00	142.9%
22	Methotrexate Sodium					
23	(INJ, IJ {S.D.V.})	58406-0671-05	1 gm ea	61.44	22.24	56.7%
24	Methotrexate Sodium					
25	(INJ, IJ {S.D.V.})	58406-0671-05	1 gm ea	61.44	11.89	24.0%
26	Methotrexate Sodium					
	(INJ, IJ {VIAL, L.P.P.})	58406-0681-14	25 mg/ml, 2 ml	4.75	1.75	58.3%
	Methotrexate Sodium					
	(INJ, IJ {VIAL, L.P.P.})	58406-0681-14	25 mg/ml, 2 ml	4.75	1.15	31.9%

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
Leucovorin Calcium (PDI, IJ {P.F.})	58406-0623-07	350 mg ea	137.94	118.94	626.0%
Leucovorin Calcium (PDI, IJ {P.F.})	58406-0623-07	350 mg ea	137.94	125.69	1026.0%
Leucovorin Calcium (PDI, IJ {P.F.})	58406-0623-07	350 mg ea	137.94	125.44	1003.5%

389. As set forth above, Immunex's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

7. Immunex Concealed Its AWP Manipulation

390. Immunex deliberately acted to conceal its fraudulent reporting and marketing of the AWP spread. For example, under the guise of "simplifying" its product listings, on June 3, 1994, Immunex instructed the *Red Book* to "delete all references to Direct Price for all Immunex products, effective immediately" and confirmed that "only AWP (Average Wholesale Price) w[ould] be listed for [its] products[.]" Immunex effectively hid the AWP spread from co-payors and payors.

N. The Johnson & Johnson Group (J&J, Janssen, McNeil, Centocor and Ortho)

391. The J&J Group engages in an organization-wide and deliberate scheme to inflate AWP's. The J&J Group has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of the J&J Group for which relief is sought in this case are set forth in Appendix A, and/or are set forth below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
JOHNSON & JOHNSON GROUP (J&J, Janssen, McNeil, Ortho and Centocor)	Levaquin	levofloxacin	Antibacterial Agent Used to treat bacterial infections in many different parts of the body
	Monistat	miconazole nitrate	Antifungal Agent Used in the treatment of yeast infections

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
	Procrit	epoetin alfa	Antianemic Used in the treatment of anemia in HIV- infected, cancer or chronic renal failure patients
	Remicade	infliximab	Anti-Inflammatory Agent; Antirheumatic Agent Used to treat Crohn's disease and rheumatoid arthritis
	Renova	tretinoin	Antiacne Agent Used for mitigation of fine wrinkles and other attributes of facial skin
	Retin-A	tretinoin	Antiacne Agent Used to treat acne
	Retin-A Micro	tretinoin microsphere	Antiacne Agent Used to treat acne

1. The J&J Group Has Been the Target of Government Investigations

392. In connection with its scheme to inflate AWP's, the J&J Group has been investigated by the General Accounting Office and the Office of the Attorney general for the Commonwealth of Massachusetts.

393. The J&J Group has engaged in an ongoing deliberate scheme to inflate AWP's and to market the spread to increase the sales of its products. In a report published by the GAO, federal investigations have documented fraudulently inflated AWP's reported for epoetin alfa (sold by J&J as Procrit). J&J is identified in various annual *Red Book* publications as one of two sources for epoetin alfa. The other source for epoetin alfa is Defendant Amgen.¹⁰

394. In September 2001, the GAO reported that epoetin alfa accounted for the second highest percentage of Medicare expenditures on drugs in 1999, accounting for 9.5% of spending for prescription drugs by Medicare in 1999 and for 3.4% of all Medicare allowed services. These massive federal expenditures for epoetin alfa, caused by the J&J Group and Amgen's AWP Scheme as well as the inflated cost to co-payors and payors, are even more outrageous

¹⁰ Amgen markets epoetin alfa for use in the treatment of dialysis patients while the right to market epoetin alfa for all other uses is licensed to Defendant J&J.

1 given the fact that the research and development of epoetin alfa was originally underwritten by
2 grants from the federal government.¹¹

3 395. By way of further example, the J&J Group has deliberately overstated and
4 continues to overstate the AWP for Remicade®. The published AWP for Remicade® continued
5 to increase each year. For example, the AWP was listed as \$611.33 for a 100 mg vial of
6 Remicade® as of November 1999, and rose to \$665.65 when listed in the 2001 edition of the
7 *Red Book*. At the same time, J&J deliberately marketed and promoted the sale of Remicade® to
8 physicians based on the availability of inflated payments made by Medicare, assuring them that
9 they would make a significant profit from the purchase of Remicade® as a result of the spread
10 between the actual price to physicians and reimbursement based on the published AWP.

11 396. The J&J Group created promotional materials and worksheets to allow them to
12 market the spread between the published AWP and the actual selling price to doctors. For
13 example, a publication accessible through Defendants' web sites entitled "Office-Based Infusion
14 Guide" demonstrates Defendants' aggressive marketing of this spread, specifically noting that,
15 "[d]epending on reimbursement, office-based infusion may provide a financial impact to a
16 physician's practice." Moreover, the "Financial Analysis" section of the guide includes a
17 "REMICADE® (infliximab) Financial Impact Worksheet," which enables doctors to see in
18 actual dollars how much additional revenue the use of Remicade® would bring to their practice.

19 397. The J&J Group created a computer program that it took to physicians' offices to
20 allow its salesmen to demonstrate to doctors how they could make money off of the spread. The
21 program would plug in an AWP for a drug, as well as the acquisition cost, and then calculate the
22 spread. It would then calculate spread profits on a per Patient, weekly, monthly and yearly basis.
23
24

25 ¹¹ Epogen® and Procrit® are based on different uses of a patented process technology developed at Columbia
26 University with support from grants from the NIH. Columbia licensed their technology to Amgen for Epogen® and
to Johnson & Johnson for Procrit®. *NIH Response to the Conference Report Request for a Plan to Ensure
Taxpayers' Interests are Protected*, Department Of Health And Human Services National Institutes Of Health, July
2001.

398. As set forth above, the J&J Group's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

2. J&J Concealed Its AWP Manipulation

399. J&J deliberately acted to conceal its fraudulent reporting and marketing of the AWP spread. J&J routinely required that its customers keep secret the prices they were being charged for J&J drugs. (J&J001022; J&J000110; J&J001430; J&J001483).

O. Merck

400. Merck reported false AWP's for Zocor and Vioxx as identified in Appendix C.

1. The Zocor SAVE Program

401. Merck launched the SAVE Program for Zocor (simvastatin) in April 1998 to counter Pfizer's introduction into the marketplace of its lower priced statin, Lipitor. This national program was intended to have coronary heart disease ("CHD") patients in the hospital either initially put on Zocor, or switched from Lipitor to Zocor so that when they were discharged, they would continue the prescription, thus creating a "spillover" market.

402. As part of its SAVE Program so long as the hospital or hospital system maintained a market share of 70% for Merck HMG's (Zocor and Mevacor (a lovastatin)), the hospital was entitled to "nominal price discounts" or a 92% discount off the published AWP of Zocor. In May 1999, Merck expanded SAVE to allow hospitals to get in on the 92% discount even if they could not maintain the 70% market share of the HMGs so long as they increased market share for Zocor by 10 points over the previous quarter or established Zocor as the exclusive or sole-preferred HMG on the formulary for the first time.

403. Merck also offers second- and third-tier, non-nominal price discounts for hospitals which could not meet the market share of SAVE standards of 30% off of the published AWP of Zocor for hospitals maintaining a 55% market share of Zocor and a 20% discount for a 45% market share.

1 404. By May 1999, Merck was already seeing the desired results from SAVE. Internal
2 reports stated that “in patient market share for ZOCOR at SAVE hospitals continues to climb.
3 Further, spillover analysis shows that SAVE blunts the growth of Lipitor leading to more scripts
4 for ZOCOR in the communities surrounding SAVE hospitals.” As of the beginning of
5 December 1999, Merck reported that “[m]arket share for ZOCOR for targeted SAVE hospitals
6 has grown from 42% to 55% since SAVE was launched” and “SAVE has generated over
7 \$55 million in retail sales spillover for ZOCOR nationally.”

8 405. Merck used the SAVE program to create a package of financial incentives to
9 induce hospitals to achieve Merck’s sought-after increased market share. For example, from the
10 launch in April 1998 until October 1999, participating hospitals, regardless of the market share
11 maintained, were allowed to take advantage of the price discounts.

12 406. For those hospitals that had not yet signed on to the SAVE program, Merck
13 directed its pharmaceutical sales representatives to offer hospitals the following monetary
14 incentives to induce them to join:

- 15 1. Over one year of up-front nominal pricing for ZOCOR a benefit not
16 typically seen in our industry.
- 17 2. A two month rebate at the start of the contract until wholesaler
18 notification.
- 19 3. Multiple enhancements and extensions to SAVE designed to help
20 hospitals achieve and maintain nominal pricing.

21 407. Merck also used SAVE to fend off the effects that favorable studies regarding
22 Lipitor were having on Zocor’s market share. As stated in an internal Merck memorandum:
23 “One of the key objectives for Zocor for the remainder of 2000 is to blunt the potential impact of
24 MIRACL, an outcomes trial utilizing Lipitor 80 mg ... (T)he SAVE contract is the key resource
25 you can use to pre-empt the possible effects of MIRACL.” The point was to keep Zocor in the
26 hospitals to achieve the increased market share which would result from hospital prescriptions

1 spilling over into outpatient retail scripts-paid by Medicaid. “By actively reinforcing the value
2 of ZOCOR through the SAVE program in these accounts, you can stay on the offense and
3 continue to strengthen the position of ZOCOR on the hospital’s formulary.”

4 408. SAVE’s “nominal pricing” is indisputably an incentive-based marketing program.
5 Merck admits that the 20% and 30% discounts off of Zocor was “highly competitive versus
6 competitive statins!” Merck is virtually giving away Zocor to hospitals so that they would
7 exclusively prescribe Zocor to their CHD patients. Merck makes no bones about it: the purpose
8 of SAVE was to induce the hospitals into using Zocor exclusively or at least primarily and to
9 thereby induce the CHD patients into doing the same.

10 409. Merck continues to employ the SAVE program as a key marketing strategy for
11 Zocor. Merck’s SAVE pricing was not reflected in published AWP.

12 **2. The Vioxx VIP Program**

13 410. Merck used a nominal pricing discount scheme similar to SAVE to promote its
14 cornerstone COX-2 inhibitor drug, Vioxx. Merck marketed Vioxx through the Vioxx Incentive
15 Program or VIP. The VIP Program gave hospitals “upfront discounts for Vioxx commensurate
16 with a Hospital/System’s agreement to achieve a (greater than or equal to) 80% Market Share for
17 Vioxx . . . and designating Vioxx as the ‘Exclusive NSAID that selectively inhibits COX-2 on
18 Formulary.’” The discount amounted to a nominal price of 92% off of the Merck Catalog Price
19 which was also the Merck AWP.

20 411. Merck knows that the nominal price it charges to hospitals must be reported
21 pursuant to various statutes requiring the reporting of such prices. Even so, Merck purposefully
22 did not report the nominal-price discount hospitals were given under VIP as required under the
23 Medicaid Rebate Act. Merck knowingly and deliberately concealed these discounts. These
24 discounts were not reflected in the published AWP for Zocor and Vioxx.

P. The Pharmacia Group (Pharmacia and P&U)

412. The Pharmacia Group engages in an organization-wide and deliberate scheme to inflate AWP's. The Pharmacia Group has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of the Pharmacia Group for which relief is sought in this case are set forth in Appendix A, and/or are set forth below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
PHARMACIA GROUP (Pharmacia and P&U)	Adriamycin	doxorubicin hydrochloride	Antineoplastic Used in the treatment of various forms of cancer
	Adrucil	fluorouracil	Antimetabolite; Antineoplastic Used in the treatment of various forms of cancer
	Amphocin	amphotericin b	Antifungal (Anti-Infective Agent) Used in the treatment of serious fungal infections
	Celebrex	celecoxib	Analgesic; Antirheumatic Agent Used to relieve some symptoms caused by arthritis
	Cleocin-T	clindamycin phosphate (topical)	Antibacterial Agent (Anti-Infective Agent) Used to treat bacterial infections
	Cytosar-U	cytarabine	Antineoplastic Used in the treatment of cancer of the blood
	Depo- Testosterone	testosterone cypionate	Androgen (Hormone) Used to replace hormones or stimulate growth
	Neosar	cyclophosphamide	Alkylating Agent (Antineoplastic) Used in the treatment of various forms of cancer as well as some kidney disease
	Solu-Cortef	hydrocortisone sodium succinate	Anti-Inflammatory Agent; Skin and Mucous Membrane Agent Used to provide relief for inflamed areas of the body. Also used as replacement therapy in adrenocortical insufficiency
	Solu-Medrol	methylprednisolone sodium succinate	Anti-Inflammatory Agent Used to provide relief for inflamed areas of the body. Also used as replacement therapy in adrenocortical insufficiency
	Toposar	etoposide	Antineoplastic Used in the treatment of testicular and lung cancer

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
	Vincasar	vincristine sulfate	Antineoplastic Used in the treatment of various forms of leukemia and cancer
		bleomycin sulfate	Antineoplastic; Antibiotic Agent (Anti-Infective Agent) Used in the treatment of various forms of cancer

1. The Pharmacia Group Has Been the Target of Government Investigations

413. In connection with its scheme to inflate AWP, the Pharmacia Group has been investigated by the Department of Justice, the Texas Attorney General, the California Attorney General, the Massachusetts Attorney General, the Attorney General of the State of Connecticut, the Attorney General of the State of New York, and the Department of Health and Human Services Office of Inspector General.

2. Pharmacia's Definition and Understanding of AWP

414. Pharmacia understands that third-party reimbursement is based on its published AWP.

3. The Pharmacia Group Controls the Published AWP for Its Products

415. The Pharmacia Group has controlled and set the AWP for its pharmaceutical products through direct communications with industry compendia. In its presentation entitled "Strategic Presentation on Average Wholesale Price (AWP)," P&U included a flow chart that shows P&U communicates its AWP to *First DataBank*, *Medi-Span* and *Red Book*. This same flow chart then shows that Third-Party Payors rely on these industry compendia for prices.

4. The Pharmacia Group's AWP Manipulation Benefited Providers at the Expense of Co-Payors and Payors

416. The Pharmacia Group has engaged in an ongoing deliberate scheme to inflate AWP. According to one member of the Congressional Ways and Means Committee:

The evidence . . . indicates that [Pharmacia & Upjohn] have knowingly and deliberately inflated their representations of the

average wholesale price (“AWP”), wholesale acquisition cost (“WAC”) and direct price (“DP”) which are utilized by the Medicare and Medicaid programs in establishing drug reimbursements to providers.

* * *

[T]hese practices must stop and ... these companies must return the money to the public that is owed because of their abusive practices.

See Extension of Remarks of U.S. Rep. Pete Stark in the House of Representatives, October 3, 2000 (P007545-P007547).

417. In a letter dated October 3, 2000 to Pharmacia (with accompanying exhibits), Representative Stark addressed the Pharmacia Group’s illegal practices:

The manipulated disparities between your company’s reported AWP’s and DP’s are staggering. For example, in 1997, Pharmacia & Upjohn reported an AWP of \$946.94 for 200 mg. of Adriamycin PFS while offering to sell it to American Oncology Resources (AOR) for \$168.00 and to Comprehensive Cancer Center for \$152.00 (Composite Exhibit “1”). Your company then aggressively marketed its cancer drugs to health care providers by touting financial inducements and other types of incentives. Pharmacia & Upjohn created and marketed the financial inducements for the express purpose of influencing the professional judgment of doctors and other health care providers in order to increase the company’s market share.

* * *

Pharmacia & Upjohn’s own internal documents . . . reveal that the company abused its position as a drug innovator in an initial *Phase III* FDA clinical trial for a cancer drug used to treat lymphoma (Composite Exhibit “2”) (emphasis in original).

“... Clinical Research Trials

Initial Phase III Protocol trial for “Oral Idamycin” in lymphomas. This trial will offer AOR \$1.1M [million] in additional revenues. Two hundred twenty-five (225) patients at \$5,000 per patient . . . (emphasis added by Rep. Stark).

The above . . . items are contingent on the signing of the AOR Disease Management Partner Program. AOR’s exclusive compliance to the purchase of the products listed in the contract product attachment is also necessary for the above items to be in effect.”

1 The linking of doctor participation in FDA clinical drug trials to
 2 their purchase and administration of profit-generating oncology
 3 drugs is entirely inconsistent with the objective scientific testing
 4 that is essential to the integrity of the trial.

5 * * *

6 It is clear that Pharmacia & Upjohn targeted health care providers,
 7 who might be potential purchasers, by creating and then touting the
 8 windfall profits arising from the price manipulation. For example,
 9 Pharmacia & Upjohn routinely reported inflated average wholesale
 10 prices for its cancer drug Bleomycin, 15u, as well as direct prices.
 11 The actual prices paid by industry insiders was in many years less
 12 than half of what Pharmacia & Upjohn represented. Pharmacia &
 13 Upjohn reported that the average wholesale price for Bleomycin,
 14 15u, rose from \$292.43 to \$309.98, while the price charged to
 15 industry insiders fell by \$43.15 (Composite Exhibit "4").

16 * * *

17 Pharmacia & Upjohn reported price increases in October 1997
 18 with full knowledge that the true prices of the drugs were falling.
 19 For example, Composite Exhibit "7" reveals that Pharmacia &
 20 Upjohn voluntarily lowered its price of Adriamycin PFS 200 mg to
 21 \$152.00 while reporting an AWP of \$946.94:

22 "Dear Willie,

23 A (VPR) Voluntary Price Reduction will become
 24 effective May 9, 1997. The wholesalers have been
 25 notified, however it may take two weeks to
 26 complete the transition . . ."

27 Additionally, internal Pharmacia & Upjohn documents secured
 28 through the Congressional investigations show that Pharmacia &
 29 Upjohn also utilized a large array of other inducements to stimulate
 30 product sales. These inducements, including "educational grants"
 31 and free goods, were designed to result in a lower net cost to the
 32 purchaser while concealing the actual price beneath a high invoice
 33 price. Through these means, drug purchasers were provided
 34 substantial discounts that induced their patronage while
 35 maintaining the fiction of a higher invoice price – the price that
 36 corresponded to reported AWP's and inflated reimbursements from
 37 the government. Composite Exhibit "8" highlights these
 38 inducements:

39 AOR/PHARMACIA & UPJOHN PARTNERSHIP PROPOSAL:
 40 Medical Education Grants. A \$55,000 grant has been committed
 41 for 1997 for the AOR Partnership for excellence package including
 42 Education/Disease Management, Research Task Force, AOR
 43 Annual Yearbook. A \$40,000 grant to sponsor the AOR monthly
 44 teleconference. This sponsorship was committed and complete in

February 1997 . . .

PHARMACIA & UPJOHN, INC. INTEROFFICE MEMO:

If needed, you have a “free goods” program to support your efforts against other forms of generic doxorubicin . . .

Use your “free goods” wisely to compete against other generic forms of Adriamycin, not to shift the customer to direct shipments. The higher we can keep the price of Adriamycin, the easier it is for you to meet your sales goals for Adriamycin (emphasis added by Rep. Stark).

(P007613-P007632).

418. Pharmacia’s marketing pitches, as quoted by United States Representative Pete Stark in a September 28, 2000 letter to Alan F. Holmer, President of the Pharmaceutical Research and Manufacturers of America, promoted a physician’s ability to profit at the expense of Medicare and its beneficiaries:

PHARMACIA: Some of the drugs on the multi-source list offer you savings of over 75% below list price of the drug. For a drug like Adriamycin, the reduced pricing offers AOR a reimbursement of over \$8,000,000 profit when reimbursed at AWP. The spread from acquisition cost to reimbursement on the multi-source products offered on the contract give AOR a wide margin for profit.

(P007548-P007588).

419. In 1997, Pharmacia sent to a clinic a proposal listing the AWP and the contract price at which several drugs would be sold to the provider. The differences are staggering and just a few are noted below:

Drug	AWP	Suggested New Contract Price
Adriamycin (10 mg)	46.00	7.50
Adriamycin (50 mg)	230.00	37.50
Neosar (2 g)	86.00	18.00
Toposar (1 g)	1,330.75	120.00
Vincasar (2 mg)	741.50	7.50

(P007615).

5. Specific Pharmacia AWP's Documented by the DOJ

420. In a report published by the DHHS, the DOJ documented at least 43 instances where the published AWP's for various dosages of drugs manufactured by the Pharmacia Group were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ's determination of an accurate AWP for that particular dosage, based upon wholesalers' price lists, with the AWP reported by the Pharmacia Group in the 2001 *Red Book*.

Drug	The Pharmacia Group's 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Spread
Amphotercin B	\$36.26	\$16.00	\$20.26	127%
Bleomycin Sulfate	\$309.98 ¹²	\$158.67	\$151.31	96%
Clindamycin Phosphate	\$93.60	\$61.20	\$32.40	53%
Cyclophosphamide	\$6.29	\$3.92	\$2.37	60%
Cytarabine	\$8.98	\$4.06	\$4.92	122%
Doxorubicin HCL	\$1104.13	\$150.86	\$953.27	632%
Etoposide	\$157.65	\$9.47	\$148.18	1,565%
Fluorouracil	\$3.20	\$1.47	\$1.73	118%
Hydrocortisone Sodium Succinate	\$2.00	\$1.55	\$.45	29%
Metholprednisolone Sodium Succinate	\$2.05	\$1.45	\$.60	41%
Testosterone Cypionate	\$17.01	\$11.79	\$5.22	44%
Vincristine Sulfate	\$43.23	\$5.10	\$38.13	748%

421. In OIG report OEI-03-00-00310, the government noted that 20 mg of irinotecan, which according to the *Red Book* is manufactured only by the Pharmacia Group, had a Medicare Median of \$117.81 and a Catalog Median of \$98.63, resulting in a spread of 19.45%. (P006398-P006424).

¹² Calculation based on the AWP listed in the 2000 *Red Book*.

422. The GAO issued a report entitled “Payments for Covered Outpatient Drugs Exceed Providers’ Cost” (GAO-01-1118) wherein it found that irinotecan had an average AWP of \$141.32, the Average Widely Available Discount from AWP to physicians for irinotecan was 22.9%, and the drug constituted 2.0% of the total amount of Medicare spending in 1999. (P005546-P005578).

423. As of April 2000, another Pharmacia Group drug, Toposar® (etoposide), had an AWP of \$28.38. The DOJ found that retailers were buying it for \$1.70. (P006299-006316).

424. Similarly, by letter dated September 25, 2000 to the HCFA Administrator, the Chairman of the Commerce Committee revealed that:

[I]n 1998, Pharmacia-Upjohn’s Bleomycin had an AWP of \$309.98, but health care providers could purchase it for \$154.85. In 1997, Pharmacia-Upjohn’s Vincasar could be purchased for \$7.50, while the AWP was a staggering \$741.50.

See Letter dated May 25, 2000 from U.S. Rep. Thomas J. Bliley to Nancy-Ann Min DeParle, HCFA Administrator. (P007015-P007490).

425. Exhibit 1 to United States Representative Pete Stark’s September 28, 2000 letter to Alan F. Holmer, President of the Pharmaceutical Research and Manufacturers of America, reveals that while the AWP for 1 mg of Vincasar® (vincristine sulfate) was \$370.75 in 1997, one physician group’s (American Oncology Resources) price in 1997 was only \$4.15. (P007515). Similarly, while the AWP for 2 mg of Vincasar® was \$741.50, AOR’s actual pre-April 1997 price was \$7.75 (in fact, the Pharmacia Group had offered to reduce it to \$7.50). *Id.* As of April 2000, Adriamycin had a reported AWP of \$241.36, while the real wholesale price was \$33.43.

6. Inflated Pharmacia AWP’s From Pharmacia’s Price Lists

426. According to Pharmacia’s own documents, the published AWP’s for its drugs were higher than the actual prices provided to wholesalers. In response to government subpoenas, the Pharmacia Group produced numerous price lists setting forth spreads between AWP’s and prices apparently offered to wholesalers, providers, and other intermediaries. A review of those price lists reveal that Pharmacia has consistently offered hundreds of its drugs and other solutions to

its customers at prices significantly below the published AWP and that the spread was of great importance to its customers. To repeat every one of those drugs and the spread offered to each specific customer here is not practical. However, set forth below in Table 1 are a number of those drugs with spreads between the AWP and direct prices. Table 1 is an analysis of certain dosages of P&U drugs from a document entitled "Oncology Express CONTRACT PRICING":

Table 1

PRODUCT	LIST	AWP	CONTRACT PRICE	DIFFERENCE (between AWP and contract price)	PERCENTAGE SPREAD
Adriamycin	883.80	1104.13	119.00	985.13	828%
Adrucil	12.83	16.04	4.56	11.48	252%
Amphocin	29.01	36.26	13.00	23.26	179%
Neosar	80.22	100.28	16.15	84.13	521%
Toposar	614.81	768.51	33.84	734.67	2,171%

427. Additional drugs for which Pharmacia reported false AWP are identified as follows:

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
(AMPHOTERCIN B) Amphocin (PDI, IJ) (CLINDAMYCIN PHOSPHATE) Cleocyn (ADD- VANTAGE, 150 mg/ml) (CLINDAMYCIN PHOSPHATE) Cleocyn (ADD- VANTAGE, 150 mg/ml) (CLINDAMYCIN PHOSPHATE) Cleocyn (ADD- VANTAGE, 150 mg/ml) (CLINDAMYCIN PHOSPHATE) Cleocyn (ADD- VANTAGE, 150 mg/ml) (CLINDAMYCIN PHOSPHATE) Cleocyn (INJ, IJ, 150 mg/ml)	00013-1405-44	50 mg ea	36.26	20.26	126.6%
	00009-0728-09	60 ml 5s	905.88	646.68	249.5%
	00009-0902-18	6 ml 25S	462.19	300.19	185.3%
	00009-3124-03	4 ml 25s	367.50	241.50	191.7%
	00009-3447-03	6 ml 25s	485.31	323.31	199.6%
	00009-0775-26	4 ml 25s	346.56	220.56	175.0%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(CLINDAMYCIN PHOSPHATE) Cleocyn (INJ, IJ, 150 mg/ml)	00009-0870-26	2 ml 25s	189.83	128.63	210.2%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5606-93	100 mg ea	6.29	2.86	83.4%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5606-93	100 mg ea	6.29	1.29	25.8%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5606-93	100 mg ea	6.29	2.54	67.7%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5606-93	100 mg ea	6.29	2.79	79.7%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5616-93	200 mg ea	11.94	7.52	170.1%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5616-93	200 mg ea	11.94	7.29	156.8%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5616-93	200 mg ea	11.94	7.52	170.1%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5616-93	200 mg ea	11.94	5.19	76.9%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5626-93	500 mg ea	25.06	18.82	301.6%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5626-93	500 mg ea	25.06	18.41	276.8%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5626-93	500 mg ea	25.06	18.82	301.6%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5626-93	500 mg ea	25.06	14.86	145.7%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5636-70	1 gm ea	50.15	40.65	427.9%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5636-70	1 gm ea	50.15	40.50	419.7%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5636-70	1 gm ea	50.15	33.85	207.7%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5636-70	1 gm ea	50.15	40.65	427.9%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5646-70	2 gm ea	100.28	81.95	447.1%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5646-70	2 gm ea	100.28	81.33	429.2%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5646-70	2 gm ea	100.28	69.48	225.6%
(CYCLOPHOSPHAM IDE) Neosar (PDI, IJ {S.D.V.})	00013-5646-70	2 gm ea	100.28	81.95	447.1%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3295-01	1 gm ea	61.43	44.43	261.4%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3295-01	1 gm ea	61.43	42.93	232.1%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3295-01	1 gm ea	61.43	35.18	134.0%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3295-01	1 gm ea	61.43	14.63	31.3%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3296-01	2 gm ea	120.25	86.25	253.7%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3296-01	2 gm ea	120.25	83.25	225.0%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3296-01	2 gm ea	120.25	67.75	129.0%
(CYTARABINE) Cytosar-U (30 ML VIAL)	00009-3296-01	2 gm ea	120.25	28.63	31.2%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0373-01	100 mg ea	8.14	5.14	171.3%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0373-01	100 mg ea	8.14	4.99	158.4%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0373-01	100 mg ea	8.14	3.19	64.4%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0373-01	100 mg ea	8.14	1.94	31.3%

Drug Name {M.D.V.}}	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0473-01	500 mg ea	32.33	23.83	280.4%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0473-01	500 mg ea	32.33	23.08	249.5%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0473-01	500 mg ea	32.33	17.33	115.5%
(CYTARABINE) Cytosar-U (PDI, IJ {M.D.V.})	00009-0473-01	500 mg ea	32.33	7.70	31.3%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {M.D.V., P.F.})	00013-1166-83	2 mg/ml, 100 ml	1,104.13	956.13	646.0%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {M.D.V., P.F.})	00013-1166-83	2 mg/ml, 100 ml	1,104.13	960.18	667.0%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {M.D.V., P.F.})	00013-1166-83	2 mg/ml, 100 ml	1,104.13	940.63	575.3%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1136-91	2 mg/ml, 5 ml	56.34	48.94	661.4%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1136-91	2 mg/ml, 5 ml	56.34	47.39	529.5%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1136-91	2 mg/ml, 5 ml	56.34	46.14	452.4%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1146-91	2 mg/ml, 10 ml	112.66	97.86	661.2%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1146-91	2 mg/ml, 10 ml	112.66	95.71	564.7%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1146-91	2 mg/ml, 10 ml	112.66	92.26	452.3%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1156-79	2 mg/ml, 25 ml	281.68	244.68	661.3%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1156-79	2 mg/ml, 25 ml	281.68	246.18	693.5%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1156-79	2 mg/ml, 25 ml	281.68	240.78	588.7%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1176-87	2 mg/ml, 37.5 ml	422.51	365.81	645.2%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1176-87	2 mg/ml, 37.5 ml	422.51	360.01	576.0%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1176-87	2 mg/ml, 37.5 ml	422.51	361.16	588.7%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (PFS INJ, IJ {VIAL, P.F.})	00013-1176-87	2 mg/ml, 37.5 ml	422.51	364.70	630.9%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ {M.D.V.})	00013-1116-83	150 mg ea	788.44	680.44	630.0%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ {M.D.V.})	00013-1116-83	150 mg ea	788.44	666.44	546.3%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ {M.D.V.})	00013-1116-83	150 mg ea	788.44	671.44	573.9%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1086-91	10 mg ea	53.64	46.48	649.2%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1086-91	10 mg ea	53.64	44.69	499.3%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1086-91	10 mg ea	53.64	43.94	453.0%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1086-91	10 mg ea	53.64	46.48	649.2%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1106-79	50 mg ea	268.18	232.39	649.3%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1106-79	50 mg ea	268.18	230.18	605.7%
(DOXORUBICIN HYDROCHLORIDE) Adriamycin (RDF PDI, IJ)	00013-1106-79	50 mg ea	268.18	229.18	587.6%
(ETOPSIDE) TOPOSAR (INJ, IJ {M.D.V.})	00013-7336-91	20 mg/ml, 5 ml	157.65	148.65	1651.7%
(ETOPSIDE) TOPOSAR (INJ, IJ {M.D.V.})	00013-7336-91	20 mg/ml, 5 ml	157.65	147.25	1415.9%
(ETOPSIDE) TOPOSAR (INJ, IJ {M.D.V.})	00013-7336-94	20 mg/ml, 10 ml	315.29	297.29	1651.6%
(ETOPSIDE) TOPOSAR (INJ, IJ {M.D.V.})	00013-7336-94	20 mg/ml, 10 ml	315.29	294.29	1401.4%
(ETOPSIDE) TOPOSAR (INJ, IJ {M.D.V.})	00013-7356-88	20 mg/ml, 25 ml	768.51	724.51	1646.6%
(FLUOROURACIL) Adrucil (INJ, IJ {VIAL})	00013-1036-91	50 mg/ml, 10 ml	3.20	1.78	125.4%
(FLUOROURACIL) Adrucil (INJ, IJ {VIAL})	00013-1036-91	50 mg/ml, 10 ml	3.20	1.65	106.5%
(FLUOROURACIL) Adrucil (INJ, IJ {VIAL})	00013-1036-91	50 mg/ml, 10 ml	3.20	1.70	113.3%
(FLUOROURACIL) Adrucil (INJ, IJ {VIAL})	00013-1046-94	50 mg/ml, 50 ml	16.04	9.29	137.6%
(FLUOROURACIL) Adrucil (INJ, IJ {VIAL})	00013-1046-94	50 mg/ml, 50 ml	16.04	6.29	64.5%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(FLUOROURACIL) Adrucil (INJ, IJ { VIAL })	00013-1046-94	50 mg/ml, 50 ml	16.04	8.09	101.8%
(FLUOROURACIL) Adrucil (INJ, IJ { VIAL })	00013-1056-94	50 mg/ml, 100 ml	32.06	19.06	146.6%
(FLUOROURACIL) Adrucil (INJ, IJ { VIAL })	00013-1056-94	50 mg/ml, 100 ml	32.06	13.16	69.6%
(FLUOROURACIL) Adrucil (INJ, IJ { VIAL })	00013-1056-94	50 mg/ml, 100 ml	32.06	17.81	125.0%
(FLUOROURACIL) Adrucil (INJ, IJ { VIAL })	00013-1056-94	50 mg/ml, 100 ml	32.06	20.46	176.4%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0900-13	100 mg ea	3.34	2.24	203.6%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0900-13	100 mg ea	3.34	2.03	155.0%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0900-13	100 mg ea	3.34	1.59	90.9%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0900-13	100 mg ea	3.34	1.96	142.0%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0900-13	100 mg ea	3.34	1.12	50.5%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0900-13	100 mg ea	3.34	1.80	116.9%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0909-08	250 mg ea	7.56	4.91	185.3%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0909-08	250 mg ea	7.56	4.31	132.6%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0909-08	250 mg ea	7.56	5.36	243.6%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
Cortef (ACT-O-VIAL)					
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0909-08	250 mg ea	7.56	5.07	203.6%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0912-05	500 mg ea	14.71	9.16	165.0%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0912-05	500 mg ea	14.71	9.27	170.4%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0912-05	500 mg ea	14.71	9.20	167.0%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0912-05	500 mg ea	14.71	8.31	129.8%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0912-05	500 mg ea	14.71	8.16	124.6%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0920-03	1000 mg ea	29.29	16.64	131.5%
(HYDROCORTISON E SODIUM SUCCINATE) Solu- Cortef (ACT-O-VIAL)	00009-0920-03	1000 mg ea	29.29	18.80	179.2%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-0190-09	125 mg ea	5.64	3.41	152.9%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-0190-09	125 mg ea	5.64	2.83	100.7%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-0765-02	500 mg ea	18.95	13.44	243.9%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-3389-01	1 gm ea	34.13	23.66	226.0%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-3389-01	1 gm ea	34.13	23.11	209.7%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-3389-01	1 gm ea	34.13	24.28	246.5%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (ACT-O- VIAL)	00009-3389-01	1 gm ea	34.13	19.92	140.2%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (PDI, IJ {ACT- O-VIAL})	00009-0113-12	40 mg ea	2.13	0.53	33.1%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (PDI, IJ {ACT- O-VIAL})	00009-0113-12	40 mg ea	2.13	0.96	82.1%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (VIAL)	00009-0758-01	500 mg ea	21.26	15.75	285.8%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (VIAL)	00009-0758-01	500 mg ea	21.26	15.01	240.2%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (VIAL)	00009-0758-01	500 mg ea	21.26	13.92	189.6%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (W/DILUENT)	00009-0796-01	2 gm ea	57.98	43.67	305.2%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (W/DILUENT)	00009-0796-01	2 gm ea	57.98	43.48	299.9%

Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
(METHOTREXATE SODIUM SUCCINATE) Solu- Medrol (W/DILUENT)	00009-0887-01	500 mg ea	0.00	-6.17	-100.0%
(TESTOSTERONE CYPIONATE) Depo- Testosterone (200 mg/ml)	00009-0417-01	1 ml, C-III	14.73	3.51	31.3%
(TESTOSTERONE CYPIONATE) Depo- Testosterone (200 mg/ml)	00009-0417-01	1 ml, C-III	14.73	2.38	19.3%
(TESTOSTERONE CYPIONATE) Depo- Testosterone (200 mg/ml)	00009-0417-02	10 ml, C- III	80.53	49.82	162.2%
(TESTOSTERONE CYPIONATE) Depo- Testosterone (200 mg/ml)	00009-0417-02	10 ml, C- III	80.53	61.68	327.2%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7456-86	1 mg/ml, 1 ml	43.23	38.73	860.7%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7456-86	1 mg/ml, 1 ml	43.23	37.38	639.0%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7456-86	1 mg/ml, 1 ml	43.23	39.18	967.4%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7456-86	1 mg/ml, 1 ml	43.23	37.23	620.5%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7466-86	1 mg/ml, 2 ml	86.46	79.46	1135.1%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7466-86	1 mg/ml, 2 ml	86.46	76.01	727.4%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7466-86	1 mg/ml, 2 ml	86.46	77.76	893.8%
(VINCRIStINE SULFATE) Vincasar (INJ, IJ {VIAL})	00013-7466-86	1 mg/ml, 2 ml	86.46	79.21	1092.6%
Bleomycin Sulfate (PDI, IJ {VIAL})	00013-1616-78	15 u ea	309.98	150.98	95.0%
Bleomycin Sulfate (PDI, IJ {VIAL})	00013-1616-78	15 u ea	309.98	151.98	96.2%
Bleomycin Sulfate (PDI, IJ {VIAL})	00013-1616-78	15 u ea	309.98	150.98	95.0%

Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
Bleomycin Sulfate (PDI, IJ {VIAL})	00013-1636-86	30 u ea	619.91	301.91	94.9%
Bleomycin Sulfate (PDI, IJ {VIAL})	00013-1636-86	30 u ea	619.91	289.91	87.9%
Bleomycin Sulfate (PDI, IJ {VIAL})	00013-1636-86	30 u ea	619.91	301.91	94.9%

7. The Pharmacia Group Provided Free Goods and Other Incentives

428. In addition to marketing the spread, the Pharmacia Group has utilized other impermissible inducements to stimulate sales of its drugs. These inducements were designed to result in a lower net cost to the provider while concealing the actual wholesale price beneath a high invoice price. By utilizing “off-invoice” inducements, the Pharmacia Group provided purchasers with substantial discounts meant to gain their patronage while maintaining the fiction of a higher wholesale price.

429. The government investigators also uncovered an October 3, 1996 internal memorandum wherein Pharmacia told three oncology sales representatives:

Our competitive intelligence tells us that our pricing on Adriamycin, although higher than generics, is in the “ball park” for you to attain the customers Adriamycin business. If needed, you have a “free goods” program to support your efforts against other forms of generic doxorubicin.

. . . .

You should not have to use “free goods” to steer customer [sic] away from NSS or OTN. OTN and NSS Adriamycin pricing is competitive. Use your “free goods” wisely to compete against other generic forms of Adriamycin, not to shift the customer to direct shipments. The higher we can keep the price of Adriamycin, the easier it is for you to meet your sales goals for Adriamycin.

(PH 024315).

430. As set forth above, the Pharmacia Group’s scheme to inflate its reported AWP’s and market the resulting spread to increase the market share of its drugs and its use of other “off

invoice” rebates and financial inducements to its customers has resulted in excessive overpayments by co-payors and payors.

Q. The Schering-Plough Group (Schering-Plough and Warrick)

431. The Schering-Plough Group engages in an organization-wide and deliberate scheme to inflate AWP. The Schering-Plough Group has stated fraudulent AWP for all or almost all of its drugs, including those set forth below. The specific drugs of the Schering-Plough Group for which relief is sought in this case are set forth in Appendix A, and/or are set forth below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
SCHERING- PLOUGH GROUP	Proventil	albuterol sulfate	Bronchodilator (Respiratory Agent) Used to treat the symptoms of asthma, chronic bronchitis, emphysema, and other lung diseases
	Rebetol	ribavirin	Biological Response Modifier Used to treat hepatitis C
	Vanceril	beclomethosone (nasal)	Anti-Inflammatory Agent; Antiasthmatic Used to help prevent the symptoms of asthma
		albuterol	Bronchodilator (Respiratory Agent) Used for relief of bronchospasm in asthma sufferers
		griseofulvin ultramicrocrystalline	Antifungal Agent (Anti-Infective Agent) Used to treat fungus infections of the skin, hair, fingernails, and toenails
		oxaprozin	Central Nervous System Agent; Antipyretic (Analgesic) Used in the treatment of osteoarthritis and rheumatoid arthritis
		perphenazine	Antiemetic (Gastrointestinal Agent); Antipsychotic Agent (Psychotherapeutic Agent) Used to treat serious mental and emotional disorders. Also used to relieve moderate to severe pain in some hospitalized patients
		potassium chloride	Electrolytic Agent Used to prevent and treat potassium deficit secondary to diuretic or corticosteroid therapy
		sodium chloride	Flush; Abortifacient Used to remove medicine and blockage from intravenous (IV) catheter. Also used to induce abortion

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
		sulcrafate	Gastrointestinal agent Used for short term treatment of duodenal ulcer
		theophylline er	Bronchodilator (Respiratory Agent) Used to treat and/or prevent the symptoms of bronchial asthma, chronic bronchitis, and emphysema

1. The Schering-Plough Group Has Been the Target of Government Investigations

432. In connection with its scheme to inflate AWP's, the Schering-Plough Group has been investigated by the Department of Justice, Texas Attorney General, West Virginia Attorney General, California Attorney General, California Bureau of Medi-Cal Fraud and Elder Abuse, and the Department of Health and Human Services Office of Inspector General, and the United States Attorney for the District of Massachusetts.

433. On May 30, 2003, Schering-Plough announced that the United States Attorney for the District of Massachusetts had advised that its subsidiary, Schering Corporation, is the subject of a federal grand jury investigation. Schering-Plough is the target of a criminal investigation involving: (i) providing remuneration, such as drug samples, to providers to induce the purchase of Schering products for which payment was made through federal health care programs; (ii) selling misbranded or unapproved drugs; (iii) submitting false wholesale pricing information for its pharmaceutical products to the government; and (iv) destroying evidence and obstructing justice relating to the government's investigation. *See* Schering-Plough Press Release dated May 30, 2003, located at <http://www.sch-plough.com/news/2003/business/20030530.html>; "Schering-Plough expects indictment," THE PHILADELPHIA INQUIRER, at C3 (May 31, 2003). Moreover, according to Schering-Plough's Form 10-K for the year 2000, this investigation has focused on "whether the AWP set by pharmaceutical companies for certain drugs improperly exceeds the average prices paid by dispensers . . . and other pricing and/or marketing practices."

434. A Medicaid investigation by the Texas Attorney General revealed that the Schering-Plough Group defrauded the State of Texas \$14.5 million. Investigators determined that the Schering-Plough Group provided the greatest “spread” amongst the drug companies selling albuterol in Texas, and thereby obtained the largest market share for albuterol. The Schering-Plough Group sold a box of albuterol to pharmacies for \$13.50, while it charged the Texas Medicaid Program \$40.30, a 200% increase. *See Cornyn Sues Three Drug Companies for Medicaid Fraud*, Press Release by the Office of the Attorney General, State of Texas, Sept. 7, 2000. (www.oag.state.tx.us.gov).

435. On October 11, 2001, the West Virginia Attorney General filed suit against Warrick, alleging that Warrick defrauded state agencies and citizens by deliberately overstating the AWP for certain drugs, including albuterol, from approximately 1995 until December 2000.

2. The Schering-Plough Group Controls the Published AWP for Its Products

436. The Schering-Plough Group has controlled and set the AWP for its pharmaceutical products through direct communications with industry compendia. For example, on February 23, 1995, Warrick sent a letter to *First DataBank*, stating:

Effective Friday, February 24, 1995, at 5:00 p.m., the price of Warrick Albuterol Solution 0.5% 20ml will increase as follows:

	<u>NDC</u>	<u>AWP</u>
	<u>59930-</u>	
Albuterol Solution 0.5% 20 ml	1515-04	\$13.95

3. The Schering-Plough Group’s AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors

437. A Schering Laboratories memorandum dated May 20, 1993 demonstrates Defendant’s recognition that intermediaries choose drugs based on favorable AWP spreads. At the generic launch of albuterol, Schering stated:

Proventil will stay listed at AWP; therefore, Proventil is a favored product for third party reimbursement that provides for the AWP

1 minus 10% reimbursement rate to chains. Thus, they can buy off
2 the Proventil deal and bill at AWP.

3 438. According to Warrick's own documents, Warrick consistently maintained a
4 spread between the AWP's and the direct prices it offered for its albuterol products. For example,
5 a "Price Change" alert dated June 7, 1999 sent to Warrick customers provides:

6 Product	Pkg. Size	NDC 59930	AWP	Direct Price
7 Albuterol Inhalation Aerosol	17 g	1560-1	\$21.41	\$3.40
8 Albuterol Aerosol Refill	17 g	1560-2	\$19.79	\$3.40

9 Thus, Warrick touted a 529% spread on its albuterol inhalation aerosol and a 482% spread on the
10 refill.

11 439. In a report to Congress, the GAO reported that albuterol sulfate was one of a
12 small number of products that accounted for the majority of Medicare spending and volume.
13 Albuterol sulfate accounted for 6.3% of total Medicare spending, ranking fifth out of more than
14 400 covered drugs. Albuterol sulfate ranked first for volume of units covered, accounting for
15 65.8% of total units reimbursed. *See* GAO Report to Congressional Committees, "Payments for
16 Covered Outpatient Drugs Exceed Providers' Cost," Tables 1 and 2, pp. 7-8 (GAO-01-0118
17 (P005546-005578)). The Schering-Plough Group is one of three companies noted by the DOJ as
18 manufacturing albuterol. *See* DHHS report, AB-00-86 (P006299-006316).

19 440. According to the Schering-Plough Group's own documents, the published AWP's
20 for most of its drugs were higher than the actual prices provided to wholesalers.

21 441. In response to government subpoenas, the Schering-Plough Group produced
22 numerous price lists setting forth spreads between AWP's and prices apparently offered to
23 wholesalers, providers, and other intermediaries. A review of those price lists reveal that
24 Warrick has consistently offered hundreds of its drugs and other solutions to its customers at
25 prices significantly below the published AWP and that the spread was of great importance to its
26 customers. To repeat every one of those drugs and the spread offered to each specific customer
here is not practical. However, set forth below in Tables 1, 2 and 3 are a number of those drugs

with spreads between the AWP and direct prices. Table 1 is an analysis of certain dosages of Warrick drugs from a document entitled, "Amerisource".

TABLE 1

LABEL (MFG)	GENERIC NAME	AWP	INVOICE COST	DIFFERENCE	PERCENTAGE SPREAD
Warrick	Albuterol Inhaler	21.41	5.75	15.66	272%
	Aug Beta Dip Oint 0.05%	43.20	26.90	16.30	61%
	Griseofulvin	82.47	37.22	45.25	122%
	Theophylline	11.70	2.83	8.87	313%

Table 2 is an analysis of certain dosages of Warrick drugs from a document entitled, "1997 Care Group Bid Proposal."

TABLE 2

PRODUCT	AWP	INVOICE PRICE	NET PRICE (AFTER REBATE)	DIFFERENCE BETWEEN AWP AND INVOICE PRICE	PERCENTAGE SPREAD
Perphenazine	78.00	19.53	17.58	58.47	299%

Table 3 is an analysis of certain dosages of Warrick drugs from a document entitled, "Managed Care Pricing," dated July 1, 2002.

TABLE 3

Product	Minimum PBM/Mail Order/ Staff Price Guide	Target PBM/Mail Order/ Staff Price Guide	Minimum GPO Price Guide	Target GPO Price Guide	AWP	Difference	% Spread
ISMN	4.48	4.93	5.15	5.38	117.40	112.02	2,082%
Oxaprozin	11.42	12.56	13.13	13.70	117.40	103.70	757%
Potassium Chloride	9.67	10.64	11.12	11.60	65.00	53.40	460%
Sodium Chloride	6.12	6.73	7.04	7.34	24.30	16.96	231%
Sulcrafate Tablets	45.15	49.67	51.92	54.18	353.71	299.53	553%

4. The DOJ Specifically Documented AWP Inflation for Albuterol Sulfate

442. In a report published by the DHHS (AB-00-86 (P006299-006316)), the DOJ documented at least one instance where the published AWP for various dosages of albuterol sulfate manufactured by the Schering-Plough Group were substantially higher than the actual

prices listed by wholesalers. The following figures compare the DOJ's determination of an accurate AWP for one particular dosage, based upon wholesalers' price lists, with the AWP reported by the Schering-Plough Group in the 2001 *Red Book*: The Schering-Plough Group reported to *Red Book* an AWP of \$30.25 for albuterol sulfate, yet the DOJ determined the actual AWP to be \$9.16, or \$21.09 less.

443. As stated in a May 4, 2000, letter from United States Representative Tom Bliley, Chairman of the Congressional Committee on Commerce, to Raman Kapur, President of Warrick:

I am writing to you because one of the drugs reflecting a significant variation between the AWP-based prices paid by Medicare and the prices generally charged to private sector purchasers is albuterol sulfate, a drug manufactured by Warrick Pharmaceuticals.

(P006938-006941).

444. In his May 4, 2000, letter, Bliley outlined the Schering-Plough Group's scheme with respect to the prescription drug albuterol sulfate. The government's investigation uncovered a significant spread between the amount Medicare reimbursed for albuterol sulfate and the amount the Schering-Plough Group actually charged. United States Representative Bliley stated:

The OIG [Office of the Inspector General] has determined that the Medicare-allowed amount for albuterol sulfate, a pharmaceutical product sold by your company, in the Fiscal Year 1996 was \$.42. The OIG further estimated that the actual wholesale price of this drug was \$.15 and the highest available wholesale price that the OIG was able to identify was \$.21. [*Id.*]

5. Other Examples of AWP Manipulation

445. Schering also directly used its AWP to market the spread. A common technique used by Schering in this regard was to directly offer "Net Direct" prices far below AWP's while making explicit reference to the AWP. The following is an example of hundreds of such communications that market the AWP spread:

<u>Product</u>	<u>AWP</u>	<u>Acquisition Price</u> ¹³
Theophylline 450 mg	\$27.75	\$9.00
Theophylline 200 mg	\$19.00	\$2.80
Theophylline 300 mg	\$22.00	\$3.21

446. Retailers and large chains also received secret deals from Schering: “Rite-Aid wishes to keep its pricing a secret and therefore buys from a wholesaler at the wholesaler’s price and charges back Warrick for the difference in the Rite-Aid contract for the product.”

447. Plaintiff will also be able to show that for certain drugs Schering paid significant sums that also lowered acquisition cost and inflated AWP. For example, for the drug Rebetrone, Schering paid 2,387 doctors up to \$500 per Patient. Each such payment lowered that physician’s acquisition cost but was not reported in the published AWP.

448. On July 30, 2004, Schering entered a guilty plea with respect to charges involving illegal and fraudulent pricing of its blockbuster drug Claritin. Schering agreed to pay a fine of \$52.5 million and \$292,969,482 to the United States and 50 states in connection with overcharges for Claritin.

449. Schering marketed a broad range of drugs, including the Claritin family of antihistamines, and used a broad range of strategies to gain access to managed care customers’ formularies. However, when two of its biggest managed care customers threatened to remove Claritin from their formularies due to its high price, Schering offered various incentives to, in essence, indirectly lower the price of Claritin to those customers without providing Medicaid and PHS with the same lower price. Schering failed to include these additional payments, services, and discounts in the Claritin best price it reported to the Medicaid Program and the PHS entities.

450. Schering provided managed care customer Cigna: (a) a data fee which is the subject of the criminal charge described above; (b) three million dollars’ worth of deeply

¹³ The spreads created here are: 208%, 578% and 585% respectively.

1 discounted Claritin reditabs; (c) health management services at far below fair market value; and
2 (d) an interest free loan in the form of prepaid rebates.

3 451. For managed care customer PacifiCare, Schering provided: (a) a risk share
4 arrangement in which Schering covered a portion of the managed care customer's respiratory
5 drug costs; (b) deep discounts on other Schering products; (c) payment and services for Internet
6 development; and (d) an interest free loan in the form of prepaid rebates.

7 452. The foregoing incentives also lowered the acquisition cost for Cigna and
8 PacifiCare, which has the effect of further inflating the reported AWP for Claritin and provides
9 evidence of the types of activities Schering was engaging in.

10 **6. The Schering-Plough Group Provided Free Goods and Other Incentives**

11 453. In addition to marketing the spread, the Schering-Plough Group has utilized other
12 impermissible inducements to stimulate sales of its drugs. These inducements were designed to
13 result in a lower net cost to the provider while concealing the actual wholesale price beneath a
14 high invoice price. By utilizing "off-invoice" inducements, the Schering-Plough Group provided
15 purchasers with substantial discounts meant to gain their patronage while maintaining the fiction
16 of a higher wholesale price.

17 454. As set forth above, the Schering-Plough Group's scheme to inflate its reported
18 AWP's and market the resulting spread to increase the market share of its drugs and its use of
19 other "off invoice" rebates and financial inducements to its customers has resulted in excessive
20 overpayments by co-payors and payors.

21 455. Schering-Plough implemented its "Warrick Generic Strategy" whereby Schering-
22 Plough created the illusion of an independent, separate company to manufacture competitively
23 priced generic drugs, *i.e.*, Warrick, but in actuality, Warrick is a "sham," alter ego corporation
24 designed and controlled by Schering-Plough to maintain branded product profitability and sales
25 at inflated prices by use of brand/generic combined market share rebates and bundling sales of
26

1 Warrick generics with Schering-Plough branded drugs for the express purpose of evading “best
2 price” liability.

3 456. Schering-Plough Warrick (“SPW”) devised and implemented a deceptive
4 marketing scheme to use “nominal pricing” of Warrick “faux-generics” in bundled sales to avoid
5 “best price” liability and at the same time market the excessive spread, implicit with nominal
6 pricing to published AWP, to GPOs, PBM, and HMOs. The term “faux-generic” describes the
7 Schering-manufactured products that have a Warrick label under a different NDC, but identical
8 in every way to a branded, off-patent Schering drug, such as Proventil and generic albuterol.

9 457. SPW calculated, set and published AWP for its drugs with full knowledge that
10 the published AWP would be used for calculations by the states and Third-Party Payors for
11 reimbursement.

12 458. The “Warrick Generic Strategy” was just one of the many devices by which SPW
13 competed on a basis other than price to keep their pricing inflated and avoid “best price”
14 liability. In order to keep AWP and actual sale prices inflated, SPW has disguised kick-backs
15 and off-invoice rebates in the form of administrative fees, pre-paid rebates and data or
16 partnership fees to PBMs and HMOs. SPW conceded its liability by two recent settlements: In
17 July 2004 SPW paid \$290M in civil liability and \$52.5M in criminal fines in connection with
18 kick-backs related to the sales and formulary status of Claritin. The Texas litigation produced a
19 \$27M dollar verdict for false price reporting under the state’s Medicaid regulations.

20 459. The giving of “value-added” services to physicians, such as disease management
21 services and reimbursement services, were for the express purpose of competing in the
22 marketplace on a basis other than price whereby inflated prices could be maximized and
23 Medicaid rebate liability could be minimized. The result was the overcharging for drugs and loss
24 of rebates to the Medicare/Medicaid system of hundreds of millions of dollars, if not billions.

R. The Sicor Group (Sicor, Gensia and Gensia-Sicor)

460. The Sicor Group engages in an organization-wide and deliberate scheme to inflate AWP's. The Sicor Group has stated fraudulent AWP's for all or almost all of its drugs, including those set forth below. The specific drugs of the Sicor Group for which relief is sought in this case are set forth in Appendix A, and/or are identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
SICOR GROUP (Sicor, Gensia and Gensia-Sicor)		acyclovir sodium	Anti-Infective Agent Used in the treatment of herpes infections
		amikacin sulfate	Antibiotic Agent (Anti-Infective Agent) Used to treat respiratory tract, urinary tract, bone, skin and soft tissue infections
		amphotercin b	Antifungal Agent (Anti-Infective Agent) Used to help the body overcome serious fungus infections
		doxorubicin hydrochloride	Antineoplastic Used in the treatment of ovarian cancer and AIDS-related Kaposi's sarcoma
		etoposide	Mitotic Inhibitor (Antineoplastic) Used in the treatment of testicular neoplasm and small cell cancer of the lung
		leucovorin calcium	Antianemic Agent (Blood Modifier) Used in the treatment of anemia
		pentamidine isethionate	Anti-Infective Agent Used in the treatment of pneumonia
		tobramycin sulfate	Antibiotic Agent (Anti-Infective Agent) Used to treat severe infection

1. The Sicor Group Has Been the Target of Government Investigations

461. In connection with its scheme to inflate AWP's, the Sicor Group has been investigated by the Department of Justice, Department of Health and Human Services Office of Inspector General, the Texas Department of Health, and the California Attorney General.

2. The Sicor Group Controls the Published AWP for Its Products

462. The Sicor Group has controlled and set the AWP's for its pharmaceutical products through direct communications with industry compendia. For example, by letter dated February 21, 1994, Gensia advised *Medi-Span* of the impending launch of its new product called

“Etoposide” and stated: “I have also include [sic] some guidelines in this pack for establishing Gensia’s AWP’s for our Etoposide.” That same day, Gensia sent a second letter to *Medi-Span* stating, in part:

The following represents the detailed information for this product and the AWP that we would like MediSpan to use:

ETOPOSIDE INJECTION

<u>NDC #</u>	<u>PRODUCT DESC.</u>	<u>VIALSIZE</u>	<u>LIST PRICE</u>	<u>AWP</u>
0703-5643-01	20MG/ML (100MG)	5ML	\$105.16	\$131.30
0703-5646-01	20MG/ML (500MG)	25ML	\$483.74	\$638.76

(SICOR 00956).

463. Moreover, the Sicor Group has told its sales force to rely on the AWP information contained in the industry compendia when marketing to customers. For example, a memorandum dated April 6, 1994 to “Field Sales force” regarding “Average Wholesale Prices (AWP)” provides in pertinent part:

Attached is a copy of Medi-Span’s March 31, 1994 printout of product and AWP information for Gensia Laboratories. Since this information comes directly from Medi-Span’s computer file, you will find it to be more accurate than the information that your customers are using from their reference texts. You will note, that the AWP information (listed in pack quantity) is found in the third column from the right. Additionally, the two columns to the immediate left of the AWP column represent: WAC (Wholesalers Acquisition Cost) and DP (Direct Price).

3. The Sicor Group’s AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors

464. The Sicor Group has engaged in an ongoing deliberate scheme to inflate AWP’s. For example, by letter dated September 25, 2000 to the HCFA Administrator, the Chairman of the Commerce Committee revealed that: “[I]n 1998, a health care provider could buy Gensia’s Etoposide for \$14.00, while the AWP used to determine Medicare reimbursement was \$141.97.” (P007015-P007490).

465. The Sicor Group’s marketing strategies further demonstrate its fraudulent practices. In a marketing document prepared by Gensia and obtained by the government in its investigation, Gensia stated:

Concentrate field reps on the top 40 AIDS hospitals using a \$54.00 price in conjunction with a 10% free goods program to mask the final price. Provides the account with an effective price of \$48.60 per vial.

See Letter dated September 28, 2000 from U.S. Rep. Pete Stark to Alan F. Holmer, President of the Pharmaceutical Research and Manufacturers of America. (P007512).

466. Certain handwritten notations appear on this same marketing document comparing the AWP with other prices used for the same drug:

FSS \$44.95

Whls \$71.00

Distr. \$51.50

AWP \$109.20

(P007532).

467. Similarly, a document entitled "Comparison of AWP's" based on the 1996 *Red Book* contains the following handwritten notation:

Rob, Joe,

Tim suggested sending this info to the reps. Your thoughts?

B

Following this notation is a chart comparing the AWP's for certain drugs published by various manufacturers, including Gensia. One example follows:

Doxorubicin		Abbott/ Adria	Bedford	FUSA	Gensia			
					X			
10		\$48.31	\$47.35	\$44.50	\$49.29	<Polymer		
					X			
50		\$241.56	\$236.74	\$231.00	\$246.46	<Polymer		
					X			
200		\$946.94	\$945.98	NA	\$966.14	<Polymer		

Id.

468. Moreover, Gensia disseminated advertisements that actually contained a comparison of the Contract Price with the AWP and set forth the resulting spread, because

Gensia knew that marketing the spread was in its best interests. Realizing this, one customer of Gensia, Opti Care, sent a memorandum to all its offices (with a copy to Gensia) stating: “Gensia’s products offer a significant spread between AWP and contract price. This spread may be attractive, when a payor’s reimbursement is based on AWP and the drug is not MAC’d.”

4. Specific Sicor Group AWP’s Documented by the DOJ

469. In a report published by the DHHS, the DOJ documented at least 17 instances where the published AWP’s for various dosages of drugs manufactured by the Sicor Group were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ’s determination of an accurate AWP for that particular dosage, based upon wholesalers’ price lists, with the AWP reported by the Sicor Group in the 2001 *Red Book*.

Drug	The Sicor Group’s 2001 <i>Red Book</i> AWP	DOJ Determined Actual AWP	Difference	Spread
Acyclovir Sodium	\$125.00 ¹⁴	\$100.00	\$25.00	25%
Amikacin Sulfate	\$87.50	\$72.68	\$14.82	20%
Tobramycin Sulfate	\$342.19	\$6.98	\$335.21	4,802%

(P006299-006316).

5. Inflated Sicor Group AWP’s From the Sicor Group’s Price Lists

470. According to the Sicor Group’s own documents, the published AWP’s for its drugs were higher than the actual prices provided to wholesalers. In response to government subpoenas, the Sicor Group produced numerous price lists setting forth spreads between AWP’s and prices apparently offered to wholesalers, providers, and other intermediaries. A review of those price lists reveal that the Sicor Group has consistently offered hundreds of its drugs and other solutions to its customers at prices significantly below the published AWP and that the

¹⁴ Calculation based on the AWP listed in the 2000 *Red Book*.

spread was of great importance to its customers. Spreads on certain drugs were as high as 1,969%.

471. The following are additional examples of drugs whose AWP's were inflated:

Manufacturer	Drug Name	NDC	Quantity	1999 AWP Red Book	W-Sale Spread	%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {M.D.V., Polymer})	00703-5040-01	2 mg/ml, 100 ml	350.00	204.00	139.7%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {M.D.V., Polymer})	00703-5040-01	2 mg/ml, 100 ml	350.00	212.00	153.6%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {S.D.V., Polymer})	00703-5043-63	2 mg/ml, 5 ml	17.50	6.70	62.0%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {S.D.V., Polymer})	00703-5043-63	2 mg/ml, 5 ml	17.50	4.40	33.6%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {S.D.V., Polymer})	00703-5043-63	2 mg/ml, 5 ml	17.50	3.50	25.0%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {S.D.V., Polymer})	00703-5046-01	2 mg/ml, 25 ml	87.50	51.50	143.1%
Gensia	Doxorubicin Hydrochloride (INJ, IJ {S.D.V., Polymer})	00703-5046-01	2 mg/ml, 25 ml	87.50	52.50	150.0%
Gensia	Etoposide (INJ, IJ {BULK PACKAGE})	00703-5668-01	20 mg/ml, 50 ml	1,338.13	1,257.13	1552.0%
Gensia	Etoposide (INJ, IJ {BULK PACKAGE})	00703-5668-01	20 mg/ml, 50 ml	1,338.13	1,261.87	1654.7%
Gensia	Etoposide (INJ, IJ {M.D.V. POLYMER})	00703-5653-01	20 mg/ml, 5 ml	46.25	39.25	560.7%
Gensia	Etoposide (INJ, IJ {M.D.V.})	00703-5646-01	20 mg/ml, 25 ml	220.00	179.00	436.6%
Gensia	Etoposide (INJ, IJ {M.D.V.})	00703-5646-01	20 mg/ml, 25 ml	220.00	181.00	464.1%
Gensia	Leucovorin Calcium (PDI, IJ {P.F. VIAL})	00703-5140-01	100 mg ea	38.63	33.73	688.4%

Manufacturer	Drug Name	NDC	Quantity	1999 AWP <i>Red Book</i>	W-Sale Spread	%
Gensia	Leucovorin Calcium (PDI, IJ {P.F. VIAL})	00703-5140-01	100 mg ea	38.63	35.84	1284.6%
Gensia	Leucovorin Calcium (PDI, IJ {P.F. VIAL})	00703-5145-01	350 mg ea	85.75	64.75	308.3%
Gensia	Leucovorin Calcium (PDI, IJ {P.F. VIAL})	00703-5145-01	350 mg ea	85.75	71.75	512.5%
Gensia	Leucovorin Calcium (PDI, IJ {P.F. VIAL})	00703-5145-01	350 mg ea	85.75	73.25	586.0%
Gensia	Pentamidine Isethionate (PDI, IJ {S.D.V.})	00053-1000-05	300 mg ea	0.00	-29.00	-100.0%
Gensia	Tobramycin Sulfate (INJ, IJ {M.D.V.})	00703-9402-04	40 mg/ml, 2 ml	13.68	10.68	356.0%
Gensia	Tobramycin Sulfate (INJ, IJ {M.D.V.})	00703-9402-04	40 mg/ml, 2 ml	13.68	2.73	24.9%
Gensia	Tobramycin Sulfate (INJ, IJ {M.D.V.})	00703-9416-01	40 mg/ml, 30 ml	73.25	36.35	98.5%

6. The Sicor Group Provided Free Goods and Other Incentives

472. In addition to marketing the spread, the Sicor Group has utilized other impermissible inducements to stimulate sales of its drugs. These inducements were designed to result in a lower net cost to the provider while concealing the actual wholesale price beneath a high invoice price. By utilizing “off-invoice” inducements, such as free goods, the Sicor Group provided purchasers with substantial discounts meant to gain their patronage while maintaining the fiction of a higher wholesale price.

473. As set forth above, the Sicor Group’s scheme to inflate its reported AWP’s and market the resulting spread to increase the market share of its drugs and its use of other “off invoice” rebates and financial inducements to its customers has resulted in excessive overpayments by co-payors and payors.

S. TAP

474. TAP engages in an organization-wide and deliberate scheme to inflate AWP’s. TAP has stated fraudulent AWP’s for Prevacid, as set forth in Appendix A, and identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
TAP	Prevacid	lansoprazole	Proton Pump Inhibitor (Gastrointestinal Agent) Used in the short-term treatment of duodenal ulcer, erosive esophagitis and gastroesophageal reflux disease

1. TAP Has Been the Target of Government Investigations

475. In connection with its scheme to inflate AWP's, TAP has been investigated by the Department of Justice.

476. On October 13, 2001, the United States Attorney in Boston, Massachusetts announced that TAP had agreed to pay \$875 million to resolve criminal charges and civil liabilities in connection with its fraudulent pricing and marketing practices for the drug named Lupron®. As part of the agreement:

a. TAP agreed to plead guilty to a conspiracy to violate the Prescription Drug Marketing Act, 21 U.S.C. §§ 331(t) and 333(b), and to pay a \$290 million criminal fine, the largest criminal fine ever in a health care fraud prosecution. The plea agreement between the United States and TAP specifically stated that TAP's criminal conduct caused the Government losses of \$145,000,000;

b. TAP agreed to pay the United States Government \$559,483,560 for filing false and fraudulent claims with the Medicare and Medicaid Programs as a result of TAP's fraudulent drug pricing schemes and sales and marketing misconduct;

c. TAP agreed to pay the fifty states and the District of Columbia \$25,516,440 for filing false and fraudulent claims with the states, as a result of TAP's drug pricing and marketing misconduct, and for TAP's failure to provide state Medicaid programs TAP's best price for Lupron®, as required by law;

d. TAP agreed to comply with the terms of a sweeping Corporate Integrity Agreement that, among other things, significantly changes the manner in which TAP supervises its marketing and sales staff and ensures that TAP will report to the Medicare

1 and Medicaid programs the true average sale price for drugs reimbursed by those
2 programs;

3 e. Abbott and Takeda agreed to cooperate fully with the ongoing government
4 investigation of TAP and its former officers and employees in exchange for the United
5 States declining prosecution of Abbott and Takeda for conduct relating to Lupron®; and

6 f. An Indictment was unsealed in the District of Massachusetts against six
7 current or former TAP employees (including an account executive, three District
8 Managers, a National Accounts Manager and the former Vice President of Sales), and a
9 urologist, alleging that they conspired to (i) bill Medicare for free samples of Lupron®
10 and (ii) market Lupron® using the “spread” and the “return to practice” program.

11 The TAP Defendants have been sued in a separate class action in connection with their
12 fraudulent pricing and marketing practices for Lupron®.

13 477. At a hearing in the criminal matter, which has an extensive record, United States
14 District Court Judge William G. Young found:

15 This has been a gross abuse of the Medicare/Medicaid repayment
16 system, knowing, intelligent. You have demonstrated, and it’s all
17 been confirmed in open court, and I don’t want anyone forgetting
18 about the fact that this company, not under its present
management, knowingly abused the public trust in a most, and I
use my words carefully, despicable way.

19 *United States v. TAP Pharm. Prods., Inc.*, No. CR-01-10354-WGY (D. Mass. Dec. 6, 2001).

20 **2. TAP Controls the Published AWP for Its Products**

21 478. TAP has controlled and set the AWP for its pharmaceutical products through
22 direct communications with industry compendia.

23 **3. TAP’s AWP Manipulation Benefited Providers at the Expense of Co-Payers and Payors**

24 479. According to Criminal Information filed against several doctors and the
25 Indictment filed against six former TAP employees and a urologist, TAP referred its practice of
26

1 inflating the AWP for Lupron and the corresponding inducement to the physicians as its “Return
2 to Practice” program.

3 480. At various times, TAP employees would conduct a “Business Review Meeting”
4 with individual doctors or their staff to explain in detail how a doctor could make money by
5 buying Lupron® and exploiting the spread.

6 481. TAP created sophisticated computer programs, including spreadsheets for use
7 with physicians, to further explain how “Return to Practice” worked and how much money a
8 physician could make from the spread. These computer programs were loaded onto laptop
9 computers used by sales representatives and taken directly into physician’s offices.

10 482. TAP knew and understood that, because Medicare and other insurers relied upon
11 the Publishers to establish AWP, and because TAP could precisely control the published AWP,
12 TAP could increase whenever they so desired the profit obtained by physicians from co-payors
13 and payors.

14 **4. TAP Provided Free Goods and Other Incentives**

15 483. In addition to marketing the spread, Watson has utilized other impermissible
16 inducements to stimulate sales of its drugs. These inducements were designed to result in a
17 lower net cost to the provider while concealing the actual wholesale price beneath a high invoice
18 price.

19 484. For example, TAP has pled guilty to illegally conspiring with medical providers
20 to provide free samples which would then be billed to Medicare. In an October 3, 2001, press
21 release that referenced the guilty plea, TAP’s president, Thomas Watkins, stated:

22 We admit that TAP provided free samples of Lupron to a number
23 of physicians, primarily in the early to mid-1990s, with the
24 knowledge that those physicians would seek and receive
25 reimbursement. The billing for free samples is wrong, and it
26 should never have happened.

485. TAP has also provided and/or arranged for many other non-public financial
inducements to stimulate the sales of its drugs at the expense of co-payors and payors. Such

1 inducements included volume discounts, rebates, off-invoice pricing, free goods, credit memos,
2 consulting fees, debt forgiveness, and grants. All of these incentives are designed to lower the
3 cost of the drug to the medical provider while concealing the actual cost from co-payors and
4 payors.

5 486. For example, the Indictment alleges three specific instances when TAP employees
6 offered an HMO, a urology practice and a hospital unrestricted “educational grants” of more than
7 \$75,000 to continue their use of Lupron. It offered Tufts HMO \$65,000 in grants.

8 487. Another way that TAP funneled illicit payments to physicians was through the
9 “TAP into the Future” program, which consisted of providing physicians with all-expense paid
10 weekends at luxurious resorts. These junkets were disguised as educational or consulting
11 programs, with all of the doctors in attendance designated as “consultants” even though the
12 doctors who attended did not do anything that could reasonably be deemed consulting services.

13 488. As set forth above, TAP’s scheme to inflate its reported AWP and market the
14 resulting spread to increase the market share of its drugs and its use of other “off invoice” rebates
15 and financial inducements to its customers has resulted in excessive overpayments by co-payors
16 and payors.

17 **5. TAP Concealed Its AWP Manipulation**

18 489. TAP deliberately acted to conceal its fraudulent reporting and marketing of the
19 AWP spread.

20 490. For example, TAP instructed physicians not to report the true price they paid for
21 Lupron. According to the Indictment, a TAP Senior Marketing executive, Alan MacKenzie,
22 advised TAP’s sales force to:

23 Tell physicians that if doctors disclosed their invoice costs to the
24 Medicare Program, that Program would take steps to reduce the
25 maximum payment allowed for Lupron and thus reduce the
26 physician’s profit for Return to Practice.

491. MacKenzie also told the sales force to caution doctors not to discuss their price
discounts with other physicians and instructed TAP employees to tell urologists that:

By discussing your costs of Lupron with other physicians, you run the risk of that information getting back to HCFA. If HCFA then realizes that AWP is not a true reflection of the price, the AWP could be affected, thus lowering the amounts you may charge.

492. A presentation to TAP's sales representatives included the same statements listed above, as well as directions for the leader of the presentation, which stated:

The main point to make to physicians is that confidentiality clause is a protection for them. If word is leaked back to HCF/Medicare that the cost of Lupron is going down, they very well may take steps in reducing allowable. This tactic should help prevent physicians talking amongst themselves.

T. Warrick

493. Warrick has acted to inflate AWP's pursuant to the scheme identified above. The specific drugs are identified in Appendix A and/or in the section of the Amended Complaint regarding Schering.

U. Watson

494. Watson engages in an organization-wide and deliberate scheme to inflate AWP's. Watson has stated fraudulent AWP's for all or almost all of its drugs, including: Ferrlecit, Verapamil HCL, Vinblastine Sulfate, Vincristine Sulfate, Dexamethasone, Diazepam, Gentamicin, Testosterone Ethanate, Vancomycin, Fluphenazine, Gemfibrozil, Imipramine, Nadolol, and Perphenazine. The specific drugs of Watson for which relief is sought in this case are set forth in Appendix A, and as identified below:

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
WATSON (Watson and Schein)	Ferrlecit	sodium ferric gluconate complex in sucrose injection	Iron Preparation (Blood modifier) Used for treatment of anemia in patients undergoing hemodialysis
	InfeD	iron dextran	Iron Preparation (Blood modifier); Nutritional Supplement Used for treatment of iron deficiency
		dexamethasone acetate	Hormone; Glucocorticoid Used to treat inflammatory conditions, hematologic disorders and cerebral adema

Manufacturer	Brand Name (if applicable)	Generic Name	Therapeutic Category/Usage
		dexamethasone sodium phosphate	Hormone; Glucocorticoid Used to treat inflammatory conditions, hematologic disorders and cerebral adema
		diazepam	Central Nervous System Agent Used to treat status eplipeticus and anxiety disorders. Also used as an amnesic prior to surgical procedures
		estradiol	Estrogen (Hormone) Used for treatment of menopausal symptoms and postmenopausal osteoporosis
		fluphenazine hcl	Central Nervous System Agent; Psychotherapeutic Agent Used to manage psychotic disorders
		gemfibrozil	Antilipemic Agent (Cardiovascular Agent) Used to lower cholesterol
		gentamicin sulfate	Anti-Infective Agent Used as a general antibiotic to treat serious gastrointestinal, respiratory, bone, skin and soft tissue infections
		imipramine hcl	Central Nervous System Agent; Psychotherapeutic Agent Used in the treatment of depression
		lorazepam	Central Nervous System Agent Used for treatment of anxiety disorders
		nadolol	Antihypertensive (Cardiovascular Agent) Used in the treatment of hypertension and management of angina
		perphenazine	Central Nervous System Agent; Psychotherapeutic Agent Used to manage psychotic disorders
		propanolol hcl	Beta Adrenergic Blocking Agent (Cardiovascular Agent) Used to treat hypertension
		ranitidine hcl	Histamine Receptor Antagonist (Gastrointestinal Agent) Used for treatment of duodenal ulcer, gastric ulcer, gastroesophagael disease and heartburn
		vancomycin hcl	Antibiotic Agent (Anti-Infective Agent) Used as a general antibiotic
		verapamil hcl	Calcium Channel Blocker (Cardiovascular Agent) Used in the treatment of tachyarrhythmia, angina and hypertension

1 **1. Watson Has Been the Target of Government Investigations**

2 495. In connection with its scheme to inflate AWP, Watson has been investigated by
3 the Department of Justice, Department of Health and Human Services Office of Inspector
4 General, and the State of California.

5 **2. Watson's Definition and Understanding of AWP**

6 496. Watson plainly recognizes that "AWP drives reimbursement."

7 **3. Watson Controls the Published AWP for Its Products**

8 497. Watson has controlled and set the AWP for its pharmaceutical products through
9 direct communications with industry compendia. In a memorandum, Watson states that it is
10 faxing prices to various pricing services, but "not all pricing services received all of the prices
11 listed on this letter. Most only received the AWP price..." The memorandum goes on to state
12 that "AWP is the primary price being communicated in these faxes to establish a reference for
13 reimbursement."

14 498. A *Red Book* Product Listing Verification form asks for approval of changes to the
15 stated AWP for Schein's (which was later acquired by Watson) Verapamil HCL, Vinblastine
16 Sulfate and Vincristine Sulfate. A Schein executive okayed the changes and signed the *Red*
17 *Book* form. (MDLW00887).

18 **4. Watson's AWP Manipulation Benefited Providers at the Expense of Co-**
19 **Payors and Payors**

20 499. When deciding where to set the price for its drug Ferrlecit, Watson recognized
21 that, in a Medicare Reimbursement Mechanism, "margin drives AWP and ASP" and that a goal
22 of setting the price is that "profit margin at the unit level must not decrease." Watson recognizes
23 that 20% of reimbursement is patient co-pay, which can be private insurance, Medicaid or cash.

24 500. Watson was well aware that payors relied on the AWP, and was sensitive to avoid
25 alerting payors to Watson's AWP manipulation. In the context of a pricing study, a Schein
26

executive noted that “it would be great to get a read from some HCFA personnel regarding what level of price will set off alarms with reimbursement.”

501. In that same document, Watson acknowledges that AWP manipulation is the key to its customers’ profits “if through reimbursement we can maintain or increase the money a unit makes on using this product does the price even matter?”

5. Specific Watson AWP’s Documented by the DOJ

502. In a report published by the DHHS (AB-00-86), the DOJ documented at least 12 instances where the published AWP’s for various dosages of drugs manufactured by Watson were substantially higher than the actual prices listed by wholesalers. The chart below sets forth the drugs identified by the DOJ and the spread associated with one particular dosage of each drug. These figures compare the DOJ’s determination of an accurate AWP for that particular dosage, based upon wholesalers’ price lists, with the AWP reported by Watson in the *Red Book*.

Drug	Watson’s 1998-2001 <i>Red Book</i> AWP’s	DOJ Determined Actual AWP	Difference	Spread
Dexamethasone Acetate	\$46.45 (1998)	\$11.50	\$34.95	304%
Dexamethasone Sodium Phosphate	\$93.04 (2001)	\$1.08	\$91.96	851%
Diazepam	\$18.15 (2000)	\$2.50	\$15.65	626%
Gentamicin Sulfate	\$114.10 (1999)	\$1.18	\$112.92	957%
Iron Dextran	\$377.04 (2001)	\$24.69	\$352.35	1,427%
Testosterone Ethanate	\$42.10 (2001)	\$13.39	\$28.71	214%
Vancomycin HCL	\$70.00 (1998)	\$3.84	\$60.16	1,567%

(P006299-P006316).

6. Inflated Watson AWP’s From Watson’s Price Lists

503. In response to government subpoenas, Watson produced numerous price lists setting forth spreads between AWP and prices offered to wholesalers, providers, and other intermediaries. A review of those lists indicate that Watson has consistently offered drugs to its customers at prices significantly below the published AWP, and that the spread was of great importance to Watson’s customers. It is not practical to repeat every one of those drugs and the

spread offered to specific customers. However, set forth below in Table 1 are a number of those drugs (not already referenced above) and the substantial spread offered to Watson customers.

504. Table 1 is an analysis of certain dosages of Schein drugs from a chart titled Schein Product Status Report, February 1996. (MDLW01237).

Table 1

Drug	AWP	WAC	% Spread
Fluphenazine HCL 1mg	\$46.08	\$15.71	193%
Gemfibrozil 600mg	\$55.65	\$7.95	600%
Imipramine HCL 10mg	\$4.45	\$1.32	237%
Nadolol 20mg	\$85.32	\$42.95	98%
Perphenazine 2mg	\$42.53	\$19.76	115%

505. As set forth above, Watson's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs has resulted in excessive overpayments by co-payors and payors.

7. Watson Provided Free Goods and Other Incentives

506. In addition to marketing the spread, Watson has utilized other inducements to stimulate sales of its drugs. These inducements were designed to result in a lower net cost to the provider while concealing the actual wholesale price beneath a high invoice price. In one instance in May 2000, Schein offered "Priority Customers" an additional 5% discount on Ferrlecit "off invoice" for all purchases made that month. (MDLW15896.) By utilizing "off-invoice" inducements, Watson provided purchasers with substantial discounts meant to gain their patronage while maintaining the fiction of a higher wholesale price.

507. As set forth above, Watson's scheme to inflate its reported AWP's and market the resulting spread to increase the market share of its drugs and its use of other "off invoice" rebates and financial inducements to its customers has resulted in excessive overpayments by co-payors and payors.

8. Watson Concealed Its AWP Manipulation

508. Watson deliberately acted to conceal its fraudulent reporting and marketing of the AWP spread. For example, as noted above, Watson reported its AWP to various industry compendia, but disclosed WAC, direct price and average sale price to only a very few, if any, outside entities. Also as noted above, Watson needed to keep the AWP high, but at a level that would not “set off alarms with reimbursement.” Watson effectively hid the AWP spread from co-payors and payors.

VIII. DIRECT DAMAGE SUSTAINED BY CO-PAYORS AND PAYORS

509. Co-payors and payors reimburse health care providers for pharmaceuticals based upon the published AWP for brand-name drugs and based upon MAC, for generic drugs, which in turn is derived from AWP. Accordingly, co-payors and payors are directly damaged by fraudulent AWP pricing schemes for drugs covered by employee health and benefit plans. By virtue of the fact that AWP is the reimbursement benchmark for pricing of the AWPIDs at issue, such injury occurs in all aspects of the distribution chain for the AWPIDs.

510. The following is an example of consumer damage:

Example of Damage Caused by Schering AWP Inflation on Albuterol

Drug Name
Albuterol Sulfate* .083%/J Code-J7619
NDC/ 49502-0697-03
49502-0697-33
49502-0697-60
NDC/ 00054-8063-11
00054-8063-13
00054-8063-21
NDC/ 59930-1517-01
59930-1517-02
59930-1517-06
59930-1517-08

	Approximate Provider Cost	Medicare Reimbursement	Medicare Reimbursement Based On Approximate Provider Cost of \$22.50	"Spread" Retained by Provider	Consumer Overcharge in Dollars	Consumer Percentage Overcharge
Cost per mg.	\$0.09	\$0.47				
Cost of typical monthly usage (250 mg per month)	\$22.50	\$117.50		\$95.00		
Medicare share 80%		\$94.00	\$18.00			
Consumer share 20%		\$23.50	\$4.50		\$19.00	522%
*=Multi-source drug						

Example of Damage Caused by Schering AWP Inflation

Drug Name						
Ipratropium Bromide*/J Code-J7645						
NDC/ 49502-0685-03						
49502-0685-33						
49502-0685-60						
NDC/ 00054-8402-11						
00054-8402-13						
00054-8402-21						
00054-8404-11						
00054-8404-13						
00054-8404-21						
NDC/ 59930-1500-06						
59930-1500-08						
	Approximate Provider Cost	Medicare Reimbursement	Medicare Reimbursement Based On Approximate Provider Cost of \$59.00	"Spread" Retained by Provider	Consumer Overcharge in Dollars	Consumer Percentage Overcharge
Cost per mg.	\$1.18	\$3.34				
Cost of typical monthly usage (250 mg per month)	\$59.00	\$167.00		\$108.00		
Medicare share 80%		\$133.60	\$47.20			
Consumer share 20%		\$33.40	\$11.80		\$21.60	283%
*=Multi-source drug						

511. An example of the dramatic impact of AWP inflation on Patients is provided by reviewing the typical drug treatment regimen for a stage II breast cancer Medicare Patient with a body surface of approximately two meters.

512. The treatment consists of four chemotherapy infusion treatments given at three-week intervals. Dosages have been totaled to reflect the quantities administered over the 12-week chemotherapy period:

Drug Name	Mfr.	Dosage/ treatment x 4 treatment cycles	Estimated cost of treatment x 4 treatment cycles	AWP cost of treatment x 4 treatment cycles	Spread %	Spread in \$	Patient Co-pay based on wholesale prices	Patient Co-Pay based on AWP prices	Additional Co-pay created by inflated AWP
Adriamycin	BMS	480mg	\$1,062.60	\$2,649.91	59.9%	\$1,587.31	212.52	529.82	\$317.30
Cytosan		4,800mg	237.02	\$237.02	0%	\$0	47.04	47.04	\$0
Decadron (IV)		40mg	\$830.88	\$1097.10	14.8%	\$266.22	166.18	219.42	\$53.24
Anzemet (IV)	Aventis	400mg	\$591.08	\$666.00	11.25%	\$74.92	118.22	133.2	\$14.98
TOTAL			\$2,721.54	\$4,650.03		\$1,928.45	\$543.96	929.48	\$385.52

IX. CLAIMS FOR RELIEF

CONSUMER FRAUD

(Violations of A.R.S. § 44-1522(A))

CLAIM FOR INJUNCTIVE RELIEF, CIVIL PENALTIES AND DAMAGES ON BEHALF OF INJURED CITIZENS

513. Plaintiff repeats and realleges the preceding paragraphs of this Amended Complaint as if fully set forth herein.

514. This Claim is brought for injunctive relief, civil penalties and restitution of the losses incurred by Arizona consumers as a result of the AWP Scheme.

515. A.R.S. § 44-1522(A), provides in part:

The act, use, or employment by any person of any deception, deceptive act or practice, fraud, false pretense, false promise, misrepresentation, or concealment, suppression or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise whether or not any person has in

1 fact been misled, deceived, or damaged thereby, is declared to be
2 an unlawful practice.

3 516. Defendants, by engaging in the conduct described above, perpetrated in
4 connection with the sale of merchandise, *i.e.*, drugs, violated and continues to violate A.R.S.
5 § 44-1522(A).

6 517. Defendants' conduct as alleged in this Amended Complaint constitutes deceptive
7 acts or practices, fraud, false pretense, false promise, misrepresentation, concealment,
8 suppression or omission of material fact in violation of A.R.S. § 44-1522(A) in that:

9 (a) Defendants have reported or caused to be reported
10 false and misleading AWP and WAC information, while at the
11 same time concealing actual price information and/or any real
12 average wholesale price;

13 (b) Defendants have failed to disclose material facts in
14 the conduct of trade or commerce in that they have not disclosed
15 that the AWPs at issue were inflated and bore no rational economic
16 relationship to acquisition costs and such inflation was
17 accomplished in order to (1) drive up the prices paid by Patients
18 and payors within the State of Arizona; (2) increase the
19 profitability of the manufacturer's drugs to the providers who
20 prescribe or dispense them; and thereby (3) increase defendants'
21 market shares; and (4) bore no relationship to actual acquisition
22 cost;

23 (c) Defendants committed a deceptive practice by
24 causing to be published AWPs that defendants knew were used as
25 a reimbursement benchmark and did so despite the fact they also
26 knew the "spreads" they created between AWP and acquisition
costs were a result of an intent to increase profits to physicians,
retailers and PBMs at the direct expense of patients and payors;

(d) Defendants also committed a deceptive practice by
concealing, omitting and suppressing their practices in marketing
the spread, including discounts, rebates, bundling and the use of
free goods; and

(e) Defendants made false and misleading statements
by publishing or causing to be published AWPs that were
significantly inflated above any real average of prices actually paid
and which bore no relation to average prices, but were artificially
established to create a spread for physicians, retailers and PBMs.

518. Defendants willfully engaged in such trade practices knowing them to be
deceptive and with the intent that others would rely thereon.

1 519. Defendants are liable for civil penalties of \$10,000 per willful violation of the
2 CFA, as Defendants “knew or should have known that their conduct was of the nature prohibited
3 by ARS § 44-1522.” *See* ARS §§ 44-1531(A) and (B). Civil penalties should be calculated per
4 each willful violation, *i.e.*, for each individual (unit) sale (made to each individual consumer), of
5 each individual drug at a cost based on AWP and that does not reflect true AWP.

6 520. The wrongful conduct alleged in this Amended Complaint occurs and continues
7 to occur in the ordinary course of Defendants’ business or occupation and has caused great harm
8 to Arizona residents, who were foreseeable and direct victims of Defendants’ wrongful conduct.

9 521. In particular each time an Arizona consumer paid directly or indirectly based
10 upon a published AWP a deceptive act took place.

11 522. Defendants’ wrongful, deceptive and illegal conduct has resulted in excessive and
12 illegal profits to Defendants and excessive payments made by Arizona consumers.

13 WHEREFORE, Plaintiff prays as follows:

14 A. That the Court adjudge and decree that Defendants have engaged in the conduct
15 alleged herein.

16 B. That the Court adjudge that the conduct is unlawful and in violation of A.R.S.
17 § 44-1522(A).

18 C. That the Court enjoin and restrain Defendants and their officers, agents, servants,
19 and employees, and those in active concert or participation with them, from continuing to engage
20 in such conduct or other conduct having similar purpose or effect.

21 D. That pursuant to A.R.S. § 44-1531, the Court enter an order requiring Defendants
22 to pay civil penalties of \$10,000 per violation.

23 E. That pursuant to A.R.S. § 44-1528(A), the Court enter an order restoring to the
24 citizens of this State all monies acquired by means of Defendants’ unlawful practices.

25 F. That Plaintiff recovers from Defendants the costs of this action, including
26 reasonable attorneys’ fees.

1 G. That the Court Order such other and further relief as it may deem just, necessary
2 and appropriate.

3
4 Dated: March 13, 2007

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Attorneys for the State of Arizona

CERTIFICATE OF SERVICE

I hereby certify that I, Steve W. Berman, an attorney, caused a true and correct copy of the foregoing, **FIRST AMENDED COMPLAINT** to be delivered to all counsel of record by electronic service pursuant to Paragraph 11 of the Case Management Order No. 2, by sending on March 13, 2007, a copy to LexisNexis File & Serve for Posting and notification to all parties.

By /s/ Steve W. Berman

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LIAISON COUNSEL

APPENDIX A

APPENDIX A

CARD SEQ#	Manufacturer	Product Name	Generic Name	NDC	TC DRUG	AWP Dec-97	AWP Dec-98	AWP Dec-99	AWP Dec-00	AWP Dec-01	AWP Dec-02	NOTES
45902-0181-04	ABBOTT	ACETYLCYST SOL 10%	Acetylcysteine	45902-0181-04		\$97.60	\$97.50	\$97.80	\$98.88	\$99.88	\$99.88	
45902-0181-10	ABBOTT	ACETYLCYST SOL 10%	Acetylcysteine	45902-0181-10		\$40.26	\$40.26	\$40.26	\$40.26	\$40.26	\$40.26	
45902-0181-30	ABBOTT	ACETYLCYST SOL 10%	Acetylcysteine	45902-0181-30		\$110.48	\$110.48	\$110.48	\$110.48	\$110.48	\$110.48	
00074-3307-01	ABBOTT	ACETYLCYST SOL 10%	Acetylcysteine	00074-3307-01		\$53.52	\$58.16	\$58.92	\$58.62	\$44.03	\$44.03	
00074-3307-02	ABBOTT	ACETYLCYST SOL 10%	Acetylcysteine	00074-3307-02		\$6.03	\$6.42	\$6.88	\$6.86	\$7.23	\$7.23	
00074-3307-03	ABBOTT	ACETYLCYST SOL 10%	Acetylcysteine	00074-3307-03		\$32.87	\$34.52	\$36.25	\$36.25	\$27.35	\$27.35	
45902-0182-04	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	45902-0182-04		\$81.38	\$81.38	\$81.38	\$80.00	\$80.00	\$80.00	
45902-0182-10	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	45902-0182-10		\$133.43	\$133.43	\$133.43	\$133.43	\$133.43	\$133.43	
45902-0182-30	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	45902-0182-30		\$92.21	\$92.21	\$92.21	\$92.21	\$92.21	\$92.21	
45902-0182-00	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	45902-0182-00		\$83.98	\$86.46	\$88.84	\$90.84	\$92.75	\$92.75	
00074-3308-01	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	00074-3308-01		\$8.17	\$8.57	\$9.00	\$9.00	\$7.35	\$7.35	
00074-3308-02	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	00074-3308-02		\$31.75	\$33.34	\$34.96	\$34.96	\$23.44	\$23.44	
00074-3308-03	ABBOTT	ACETYLCYST SOL 20%	Acetylcysteine	00074-3308-03		\$1,020.00	\$2,016.00	\$2,118.80	\$2,116.80	\$327.75	\$327.75	
00074-4452-01	ABBOTT	ACYCLOVIR INJ 1000MG	Acyclovir Sodium	00074-4452-01		\$448.56	\$471.00	\$471.00	\$471.00	\$471.00	\$471.00	
00074-4452-01	ABBOTT	ACYCLOVIR INJ 500MG	Acyclovir Sodium	00074-4452-01		\$960.00	\$1,008.00	\$1,058.40	\$1,058.40	\$47.63	\$47.63	
00074-4457-01	ABBOTT	ACYCLOVIR INJ 500MG	Acyclovir Sodium	00074-4457-01		\$32.42	\$34.08	\$34.08	\$34.08	\$34.08	\$34.08	
00074-1855-01	ABBOTT	AMIKACIN INJ 100ZML	Amikacin Sulfate	00074-1855-01		\$912.84	\$858.44	\$1,006.32	\$1,006.32	\$156.25	\$156.25	
00074-1857-01	ABBOTT	AMIKACIN INJ 100ZML	Amikacin Sulfate	00074-1857-01		\$2,282.36	\$2,375.52	\$2,484.32	\$2,484.32	\$400.00	\$400.00	
00074-1027-02	ABBOTT	AMIKACIN INJ 500ZML	Amikacin Sulfate	00074-1027-02		\$188.76	\$177.24	\$177.24	\$177.24	\$177.24	\$177.24	
00074-1056-01	ABBOTT	AMIKACIN INJ 500ZML	Amikacin Sulfate	00074-1056-01		\$1,113.32	\$1,168.88	\$1,225.20	\$1,225.20	\$187.50	\$187.50	
00074-1858-01	ABBOTT	AMIKACIN INJ 500ZML	Amikacin Sulfate	00074-1858-01		\$1,220.36	\$1,291.02	\$1,359.48	\$1,359.48	\$218.75	\$218.75	
00074-1027-04	ABBOTT	AMIKACIN INJ 500ZML	Amikacin Sulfate	00074-1027-04		\$337.50	\$354.36	\$364.36	\$354.36	\$354.36	\$354.36	
00074-2434-03	ABBOTT	AMIKACIN SUL INJ 500ZML	Amikacin Sulfate	00074-2434-03		\$2,877.00	\$3,021.00	\$3,172.80	\$3,172.80	\$543.75	\$543.75	
00074-2609-05	ABBOTT	AMIKOSYN (AMINO ACID)	Amikacin Sulfate	00074-2609-05		\$345.10	\$345.10	\$345.10	\$345.10	\$427.66	\$427.66	
00074-3365-11	ABBOTT	BIAXIN TAB 500MG	Biaxyn	00074-3365-11		\$345.10	\$345.10	\$345.10	\$345.10	\$378.28	\$378.28	
00074-4810-31	ABBOTT	CALCULEX INJ 1MG/ML	Calcitriol	00074-4810-31		\$13.22	\$13.22	\$13.22	\$13.22	\$14.39	\$14.39	
00074-7444-01	ABBOTT	CIMETIDINE INJ 150MG/ML	Cimetidine HCl	00074-7444-01		\$83.40	\$87.60	\$92.04	\$92.04	\$14.12	\$14.12	
00074-7448-02	ABBOTT	CIMETIDINE INJ 150MG/ML	Cimetidine HCl	00074-7448-02		\$168.50	\$206.40	\$216.00	\$216.00	\$81.56	\$81.56	
00074-7445-01	ABBOTT	CIMETIDINE INJ 150MG/ML	Cimetidine HCl	00074-7445-01		\$202.44	\$212.52	\$223.20	\$223.20	\$35.50	\$35.50	
00074-4050-01	ABBOTT	CLINDAMYCIN INJ 150MG/ML	Clindamycin Phosphate	00074-4050-01		\$312.00	\$327.60	\$344.10	\$344.10	\$108.25	\$108.25	
00074-4053-03	ABBOTT	CLINDAMYCIN INJ 150MG/ML	Clindamycin Phosphate	00074-4053-03		\$314.40	\$320.00	\$346.50	\$346.50	\$121.25	\$121.25	
00074-4051-01	ABBOTT	CLINDAMYCIN INJ 150MG/ML	Clindamycin Phosphate	00074-4051-01		\$571.50	\$600.00	\$630.00	\$630.00	\$107.19	\$107.19	
00074-4054-03	ABBOTT	CLINDAMYCIN INJ 150MG/ML	Clindamycin Phosphate	00074-4054-03		\$571.50	\$600.00	\$630.00	\$630.00	\$211.88	\$211.88	
00074-4052-01	ABBOTT	CLINDAMYCIN INJ 150MG/ML	Clindamycin Phosphate	00074-4052-01		\$763.36	\$803.76	\$843.00	\$843.00	\$212.81	\$212.81	
00074-4197-01	ABBOTT	CLINDAMYCIN INJ 150MG/ML	Clindamycin Phosphate	00074-4197-01		\$772.00	\$811.50	\$852.00	\$852.00	\$263.00	\$263.00	
00074-6022-13	ABBOTT	CLINDAMYCIN INJ IN DSIV	Clindamycin Phosphate In DSIV	00074-6022-13		\$251.05	\$263.60	\$278.78	\$278.78	\$78.75	\$78.75	
00074-6022-13	ABBOTT	CLINDAMYCIN INJ IN DSIV	Clindamycin Phosphate In DSIV	00074-6022-13		\$138.35	\$138.35	\$138.35	\$138.35	\$108.45	\$108.45	
00074-8212-11	ABBOTT	DEPAKOTE TAB 125MG EC	Divalproex Sodium	00074-8212-11		\$38.54	\$43.03	\$48.34	\$46.63	\$48.14	\$48.14	
00074-8214-11	ABBOTT	DEPAKOTE TAB 250MG EC	Divalproex Sodium	00074-8214-11		\$73.65	\$82.06	\$88.18	\$86.43	\$94.77	\$94.77	
00074-8215-11	ABBOTT	DEPAKOTE TAB 500MG EC	Divalproex Sodium	00074-8215-11		\$134.81	\$160.88	\$182.88	\$185.28	\$173.20	\$168.89	
00074-8114-11	ABBOTT	DEPAKOTE SPR CAP 125 MG	Divalproex Sodium	00074-8114-11		\$38.73	\$43.24	\$48.58	\$47.17	\$49.39	\$49.39	
00074-7222-03	ABBOTT	DEXTOSE INJ 10%	Dextrose	00074-7222-03		\$517.00	\$542.40	\$570.00	\$570.00	\$608.25	\$608.25	
00074-7222-02	ABBOTT	DEXTOSE INJ 10%	Dextrose	00074-7222-02		\$77.40	\$81.30	\$85.50	\$85.50	\$42.50	\$42.50	
00074-7222-01	ABBOTT	DEXTOSE INJ 10%	Dextrose	00074-7222-01		\$138.51	\$132.35	\$138.06	\$138.06	\$48.00	\$48.00	
00074-7222-05	ABBOTT	DEXTOSE INJ 10%	Dextrose	00074-7222-05		\$138.10	\$145.01	\$155.18	\$155.18	\$18.68	\$18.68	
00074-7222-18	ABBOTT	DEXTOSE INJ 10%	Dextrose	00074-7222-18		\$288.37	\$313.34	\$328.90	\$328.90	\$48.20	\$48.20	
00074-7222-08	ABBOTT	DEXTOSE INJ 10%	Dextrose	00074-7222-08		\$34.37	\$35.07	\$36.84	\$36.84	\$54.90	\$54.90	
00074-1508-05	ABBOTT	DEXTOSE INJ 2.5%	Dextrose	00074-1508-05		\$174.24	\$181.02	\$182.24	\$182.24	\$24.45	\$24.45	
00074-1505-03	ABBOTT	DEXTOSE INJ 2.5%	Dextrose	00074-1505-03		\$87.41	\$91.80	\$96.41	\$96.41	\$33.75	\$33.75	
00074-7835-19	ABBOTT	DEXTOSE INJ 20%	Dextrose	00074-7835-19		\$214.70	\$225.50	\$238.74	\$238.74	\$20.70	\$20.70	
00074-7835-19	ABBOTT	DEXTOSE INJ 20%	Dextrose	00074-7835-19		\$156.62	\$167.62	\$178.35	\$178.35	\$165.95	\$165.95	
00074-1775-10	ABBOTT	DEXTOSE INJ 25%	Dextrose	00074-1775-10		\$388.35	\$405.03	\$425.95	\$425.95	\$59.55	\$59.55	
00074-7888-18	ABBOTT	DEXTOSE INJ 25%	Dextrose	00074-7888-18		\$140.28	\$147.24	\$154.58	\$154.58	\$57.38	\$57.38	
00074-5023-25	ABBOTT	DEXTOSE INJ 30%	Dextrose	00074-5023-25		\$179.21	\$188.14	\$201.31	\$201.31	\$22.85	\$22.85	
00074-5044-25	ABBOTT	DEXTOSE INJ 40%	Dextrose	00074-5044-25		\$432.86	\$454.48	\$477.22	\$477.22	\$81.85	\$81.85	
00074-7837-19	ABBOTT	DEXTOSE INJ 40%	Dextrose	00074-7837-19		\$168.58	\$208.51	\$223.13	\$223.13	\$27.68	\$27.68	
00074-1405-01	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-1405-01		\$470.06	\$490.82	\$524.68	\$524.68	\$73.50	\$73.50	
00074-1523-01	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-1523-01		\$111.90	\$117.00	\$122.70	\$122.70	\$90.83	\$90.83	
00074-7100-13	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-7100-13		\$220.03	\$230.68	\$242.50	\$242.50	\$42.50	\$42.50	
00074-7100-46	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-7100-46		\$611.17	\$645.79	\$677.85	\$677.85	\$98.60	\$98.60	
00074-7923-13	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-7923-13		\$464.26	\$484.26	\$504.26	\$504.26	\$108.83	\$108.83	
00074-7923-36	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-7923-36		\$812.06	\$859.04	\$1,007.04	\$1,007.04	\$181.00	\$181.00	
00074-1484-01	ABBOTT	DEXTOSE INJ 5%	Dextrose	00074-1484-01		\$115.20	\$120.90	\$126.90	\$126.90	\$97.50	\$97.50	

[illegible]

ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-102-02	\$68.40	\$71.70	\$75.30	\$75.30	\$18.75	\$18.75
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-4055-14	\$54.00	\$56.78	\$59.64	\$59.64	\$59.84	\$59.84
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-101-04	\$109.20	\$114.60	\$120.30	\$120.30	\$26.56	\$26.56
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-102-04	\$117.30	\$123.30	\$129.60	\$129.60	\$20.31	\$20.31
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-8831-04	\$78.36	\$82.32	\$86.40	\$86.40	\$27.38	\$27.38
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-4050-17					\$42.50	\$42.50
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-1638-10					\$42.50	\$42.50
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-4058-18	\$137.16	\$144.00	\$151.20	\$151.20	\$42.50	\$42.50
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-4058-18	\$278.00	\$290.70	\$305.10	\$305.10	\$151.20	\$151.20
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-8102-10	\$630.00	\$630.80	\$638.75	\$638.75	\$14.06	\$14.06
ABBOTT	FUROSEMIDE INJ 10MG/ML	Furosemide	00074-8102-11	\$315.30	\$331.20	\$347.70	\$347.70	\$30.00	\$30.00
ABBOTT	FUROSEMIDE INJ 20MG/2ML	Furosemide	00074-1275-02	\$7.28	\$7.68	\$8.04	\$8.04	\$7.41	\$7.41
ABBOTT	FUROSEMIDE INJ 20MG/2ML	Furosemide	00074-1275-12	\$11.28	\$11.88	\$12.48	\$12.48	\$11.51	\$11.51
ABBOTT	FUROSEMIDE INJ 20MG/2ML	Furosemide	00074-1275-22	\$8.35	\$8.76	\$9.24	\$9.24	\$14.25	\$14.25
ABBOTT	FUROSEMIDE INJ 40MG/4ML	Furosemide	00074-1274-04	\$13.08	\$13.88	\$14.40	\$14.40	\$13.34	\$13.34
ABBOTT	FUROSEMIDE INJ 40MG/4ML	Furosemide	00074-1274-24	\$13.07	\$13.88	\$14.40	\$14.40	\$13.34	\$13.34
ABBOTT	FUROSEMIDE INJ 40MG/4ML	Furosemide	00074-1274-34					\$13.83	\$13.83
ABBOTT	FUROSEMIDE INJ 40MG/4ML	Furosemide	00074-3400-01	\$168.00	\$183.80	\$171.04	\$171.04	\$58.69	\$58.69
ABBOTT	GENTAMICIN INJ 10MG/ML	Gentamicin Sulfate	00074-3401-101	\$168.00	\$174.80	\$183.20	\$183.20	\$61.58	\$61.58
ABBOTT	GENTAMICIN INJ 10MG/ML	Gentamicin Sulfate	00074-3402-01	\$178.60	\$187.80	\$197.10	\$197.10	\$65.00	\$65.00
ABBOTT	GENTAMICIN INJ 40MG/ML	Gentamicin Sulfate	00074-707-03	\$59.10	\$62.10	\$65.10	\$65.10	\$20.44	\$20.44
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-01	\$38.24	\$40.20	\$42.00	\$42.00	\$38.05	\$38.05
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-11	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-21	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-31	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-41	\$49.60	\$52.20	\$54.60	\$54.60	\$50.85	\$50.85
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-12	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-22	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-32	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-13	\$28.08	\$29.40	\$30.90	\$30.90	\$28.98	\$28.98
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-23	\$49.98	\$52.90	\$55.80	\$55.80	\$51.80	\$51.80
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-33	\$49.98	\$52.90	\$55.80	\$55.80	\$51.80	\$51.80
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-14	\$23.02	\$24.00	\$25.00	\$25.00	\$23.24	\$23.24
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-15	\$33.94	\$35.10	\$36.90	\$36.90	\$34.24	\$34.24
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-16	\$51.10	\$53.70	\$56.40	\$56.40	\$52.15	\$52.15
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-25	\$33.02	\$34.80	\$36.60	\$36.60	\$32.00	\$32.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1281-35	\$33.02	\$34.80	\$36.60	\$36.60	\$32.00	\$32.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-3454-05					\$90.00	\$90.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-3454-25					\$14.69	\$14.69
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1152-12	\$39.90	\$42.00	\$44.10	\$44.10	\$15.63	\$15.63
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1152-70					\$32.50	\$32.50
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1152-14	\$92.70	\$97.20	\$102.00	\$102.00	\$23.13	\$23.13
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-01	\$38.24	\$40.20	\$42.00	\$42.00	\$39.05	\$39.05
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-11	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-21	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-31	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-4822-01	\$12.60	\$13.20	\$13.80	\$13.80	\$12.20	\$12.20
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-02	\$48.60	\$50.40	\$52.20	\$52.20	\$48.85	\$48.85
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-12	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-22	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-32	\$63.60	\$66.80	\$70.20	\$70.20	\$64.03	\$64.03
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-03	\$28.08	\$29.40	\$30.90	\$30.90	\$28.98	\$28.98
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-13	\$40.98	\$42.90	\$44.80	\$44.80	\$41.80	\$41.80
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-23	\$33.02	\$34.80	\$36.60	\$36.60	\$32.00	\$32.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-33	\$33.02	\$34.80	\$36.60	\$36.60	\$32.00	\$32.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-05	\$33.02	\$34.80	\$36.60	\$36.60	\$32.00	\$32.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-15	\$51.10	\$53.70	\$56.40	\$56.40	\$52.15	\$52.15
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1280-25	\$33.02	\$34.80	\$36.60	\$36.60	\$32.00	\$32.00
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1151-12					\$14.69	\$14.69
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1151-14					\$14.69	\$14.69
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1151-17					\$14.69	\$14.69
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-1151-18					\$14.69	\$14.69
ABBOTT	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Parcine)	00074-4541-02	\$81.30	\$85.50	\$89.70	\$89.70	\$20.03	\$20.03
ABBOTT	LEUCOVOR CA INJ 10MG/ML	Leucovorin Calcium	00074-4541-04	\$6.00	\$10.08	\$10.58	\$10.58	\$8.75	\$8.75
ABBOTT	LEUCOVOR CA INJ 10MG/ML	Leucovorin Calcium	00074-1085-01	\$24.00	\$24.48	\$24.96	\$24.96	\$21.25	\$21.25
ABBOTT	LORAZEPAM INJ 2MG/ML	Lorazepam	00074-1085-11	\$9.48	\$9.82	\$10.42	\$10.42	\$9.34	\$9.34
ABBOTT	LORAZEPAM INJ 2MG/ML	Lorazepam	00074-1085-12	\$97.68	\$102.80	\$107.78	\$107.78	\$27.50	\$27.50
ABBOTT	LORAZEPAM INJ 2MG/ML	Lorazepam	00074-1085-21					\$27.13	\$27.13
ABBOTT	LORAZEPAM INJ 2MG/ML	Lorazepam	00074-1085-21					\$21.63	\$21.63

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ABBOTT	SODIUM CHLORIDE	00074-4888-50	\$78.20	\$80.10	\$34.00	\$94.00	\$20.60	\$20.60
ABBOTT	SODIUM CHLORIDE	00074-7101-13	\$615.17	\$845.70	\$977.65	\$677.65	\$123.00	\$123.00
ABBOTT	SODIUM CHLORIDE	00074-7011-66				\$101.88	\$101.88	\$101.88
ABBOTT	SODIUM CHLORIDE	00074-7084-58				\$182.20	\$182.20	\$182.20
ABBOTT	SODIUM CHLORIDE	00074-7084-22	\$912.96	\$959.04	\$1,007.04	\$684.26	\$484.26	\$484.26
ABBOTT	SODIUM CHLORIDE	00074-1482-01	\$113.10	\$118.80	\$124.50	\$124.50	\$95.94	\$95.94
ABBOTT	SODIUM CHLORIDE	00074-1584-11	\$229.03	\$220.88	\$242.50	\$242.50	\$148.70	\$148.70
ABBOTT	SODIUM CHLORIDE	00074-4886-99	\$89.90	\$105.00	\$110.40	\$38.58	\$38.58	\$38.58
ABBOTT	SODIUM CHLORIDE	00074-7101-23	\$615.17	\$845.70	\$977.65	\$677.65	\$123.00	\$123.00
ABBOTT	SODIUM CHLORIDE	00074-7101-67				\$101.88	\$101.88	\$101.88
ABBOTT	SODIUM CHLORIDE	00074-7084-37	\$912.96	\$959.04	\$1,007.04	\$684.26	\$484.26	\$484.26
ABBOTT	SODIUM CHLORIDE	00074-1581-01	\$135.79	\$142.56	\$149.78	\$51.56	\$51.56	\$51.56
ABBOTT	SODIUM CHLORIDE	00074-7084-21	\$345.81	\$357.50	\$375.55	\$375.55	\$42.80	\$42.80
ABBOTT	SODIUM CHLORIDE	00074-1583-02	\$135.79	\$142.56	\$149.78	\$51.56	\$51.56	\$51.56
ABBOTT	SODIUM CHLORIDE	00074-7101-02	\$272.67	\$291.39	\$310.98	\$101.08	\$70.50	\$70.50
ABBOTT	SODIUM CHLORIDE	00074-7084-02	\$255.45	\$269.13	\$281.86	\$281.86	\$31.80	\$31.80
ABBOTT	SODIUM CHLORIDE	00074-7084-53	\$255.46	\$269.13	\$281.86	\$281.86	\$40.40	\$40.40
ABBOTT	SODIUM CHLORIDE	00074-7084-55	\$162.52	\$162.52	\$162.52	\$162.52	\$39.28	\$39.28
ABBOTT	SODIUM CHLORIDE	00074-7084-99	\$138.53	\$145.44	\$152.78	\$152.78	\$24.36	\$24.36
ABBOTT	SODIUM CHLORIDE	00074-4887-73	\$111.00	\$118.70	\$130.90	\$130.90	\$18.13	\$18.13
ABBOTT	SODIUM CHLORIDE	00074-4886-76	\$118.20	\$124.20	\$130.90	\$377.28	\$57.75	\$57.75
ABBOTT	SODIUM CHLORIDE	00074-4319-02	\$342.14	\$356.28	\$377.28	\$152.40	\$70.03	\$70.03
ABBOTT	SODIUM CHLORIDE	00074-1411-01	\$158.30	\$165.20	\$172.40	\$157.19	\$157.19	\$157.19
ABBOTT	SODIUM CHLORIDE	00074-1139-02	\$107.71	\$113.04	\$118.60	\$118.68	\$91.35	\$91.35
ABBOTT	SODIUM CHLORIDE	00074-1141-02	\$168.00	\$175.25	\$184.03	\$113.55	\$113.55	\$113.55
ABBOTT	SODIUM CHLORIDE	00074-1585-12	\$70.20	\$83.40	\$87.60	\$87.60	\$60.85	\$60.85
ABBOTT	SODIUM CHLORIDE	00074-4811-06	\$180.77	\$189.78	\$199.30	\$106.30	\$106.30	\$106.30
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-4141-26	\$213.52	\$224.21	\$234.21	\$234.21	\$36.15	\$36.15
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-7015-36	\$77.26	\$81.14	\$85.18	\$85.18	\$30.75	\$30.75
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-4138-23	\$340.70	\$357.70	\$377.70	\$377.70	\$41.70	\$41.70
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-4138-03	\$348.77	\$368.77	\$388.77	\$388.77	\$38.00	\$38.00
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-4138-43	\$348.77	\$368.77	\$388.77	\$388.77	\$38.00	\$38.00
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-7072-05	\$100.22	\$105.26	\$113.62	\$113.62	\$51.15	\$51.15
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-7138-06	\$176.52	\$181.54	\$188.54	\$188.54	\$188.54	\$188.54
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-7072-08	\$77.26	\$81.14	\$85.18	\$85.18	\$30.75	\$30.75
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-7072-08	\$77.14	\$80.88	\$85.01	\$85.01	\$34.45	\$34.45
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04	\$504.74	\$504.74	\$335.50	\$335.50
ABBOTT	SODIUM CHLORIDE (GU Impant)	00074-3377-01	\$438.07	\$471.04				

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BAXTER	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Porcine)	00338-4210-70	\$325.00	\$400.00	\$3.88	\$3.13	\$3.13	\$3.13
BAXTER	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Porcine)	00338-4215-70	\$21.10	\$21.10	\$2.18	\$2.86	\$2.86	\$2.86
BAXTER	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Porcine)	00338-4106-60	\$28.62	\$28.62	\$2.82	\$2.86	\$2.86	\$2.86
BAXTER	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Porcine)	00338-4110-70	\$1,011.48	\$1,011.48	\$1,011.48	\$1,011.48	\$1,011.48	\$1,011.48
BAXTER	HEPARIN LOCK INJ 100U/ML	Heparin Sodium (Porcine)	00338-4115-70	\$70.48	\$70.48	\$70.48	\$70.48	\$70.48	\$70.48
BAXTER	IVEEGAN INJ 50M HU	Immune Globulin (Human) IV	54176-0250-50	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66
BAXTER	OSMITROL INJ 10%	Mannitol	00338-0345-04	\$20.93	\$20.93	\$20.93	\$20.93	\$20.93	\$20.93
BAXTER	OSMITROL INJ 10%	Mannitol	00338-0350-03	\$1,442.04	\$1,442.04	\$1,442.04	\$1,442.04	\$1,442.04	\$1,442.04
BAXTER	OSMITROL INJ 15%	Mannitol	00338-0347-01	\$24.47	\$24.47	\$24.47	\$24.47	\$24.47	\$24.47
BAXTER	OSMITROL INJ 15%	Mannitol	00338-0355-03	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
BAXTER	OSMITROL INJ 20%	Mannitol	00338-0349-02	\$17.03	\$17.03	\$17.03	\$17.03	\$17.03	\$17.03
BAXTER	OSMITROL INJ 20%	Mannitol	00338-0346-03	\$403.03	\$403.03	\$403.03	\$403.03	\$403.03	\$403.03
BAXTER	OSMITROL INJ 5%	Mannitol	00338-0351-04	\$2,028.05	\$2,028.05	\$2,028.05	\$2,028.05	\$2,028.05	\$2,028.05
BAXTER	OSMITROL VFX INJ 20%	Mannitol	00338-0357-02	\$1,080.82	\$1,080.82	\$1,080.82	\$1,080.82	\$1,080.82	\$1,080.82
BAXTER	RECOMBIMATE INJ 220-400	Anihemophilic Factor (Recombinant)	00944-2930-01	\$1.24	\$1.26	\$1.26	\$1.28	\$1.63	\$1.63
BAXTER	RECOMBIMATE INJ 401-800	Anihemophilic Factor (Recombinant)	00944-2934-02	\$1.24	\$1.28	\$1.28	\$1.28	\$1.63	\$1.63
BAXTER	RECOMBIMATE INJ 801-1240	Anihemophilic Factor (Recombinant)	00944-2938-03	\$332.13	\$332.13	\$332.13	\$332.13	\$332.13	\$332.13
BAXTER	SOD CHLORIDE INJ 0.45%	Sodium Chloride	00338-0043-03	\$130.01	\$130.01	\$130.01	\$130.01	\$130.01	\$130.01
BAXTER	SOD CHLORIDE INJ 0.45%	Sodium Chloride	00338-0043-04	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4301-79	\$2.88	\$2.88	\$2.88	\$2.88	\$2.88	\$2.88
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4011-77	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4002-88	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4016-70	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4009-70	\$542.88	\$542.88	\$542.88	\$542.88	\$542.88	\$542.88
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4009-72	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4009-10	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4009-11	\$1,180.00	\$1,180.00	\$1,180.00	\$1,180.00	\$1,180.00	\$1,180.00
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-4009-31	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0053-11	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0049-18	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0049-38	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0049-48	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51	\$928.51
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0053-18	\$1,180.00	\$1,180.00	\$1,180.00	\$1,180.00	\$1,180.00	\$1,180.00
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0049-01	\$327.89	\$327.89	\$327.89	\$327.89	\$327.89	\$327.89
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0044-02	\$9.87	\$9.87	\$9.87	\$9.87	\$9.87	\$9.87
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0044-03	\$327.89	\$327.89	\$327.89	\$327.89	\$327.89	\$327.89
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0044-04	\$218.59	\$218.59	\$218.59	\$218.59	\$218.59	\$218.59
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0049-03	\$118.37	\$118.37	\$118.37	\$118.37	\$118.37	\$118.37
BAXTER	SOD CHLORIDE INJ 0.9%	Sodium Chloride	00338-0049-04	\$4.81	\$4.81	\$4.81	\$4.81	\$4.81	\$4.81
BAXTER	SOD CHLORIDE INJ 3%	Sodium Chloride	00338-0053-03	\$256.52	\$256.52	\$256.52	\$256.52	\$256.52	\$256.52
BAXTER	SOD CHLORIDE INJ 3%	Sodium Chloride	00338-0055-03	\$5.34	\$5.34	\$5.34	\$5.34	\$5.34	\$5.34
BAXTER	SOD CHLORIDE INJ 5%	Sodium Chloride	00338-0055-03	\$285.12	\$285.12	\$285.12	\$285.12	\$285.12	\$285.12
BAXTER	SOD CHLORIDE INJ 5%	Sodium Chloride	00338-0045-11	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0045-12	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0044-02	\$277.34	\$277.34	\$277.34	\$277.34	\$277.34	\$277.34
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0044-03	\$208.01	\$208.01	\$208.01	\$208.01	\$208.01	\$208.01
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0045-04	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0047-24	\$65.68	\$65.68	\$65.68	\$65.68	\$65.68	\$65.68
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0047-44	\$307.20	\$307.20	\$307.20	\$307.20	\$307.20	\$307.20
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0051-44	\$145.53	\$145.53	\$145.53	\$145.53	\$145.53	\$145.53
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0048-05	\$68.02	\$68.02	\$68.02	\$68.02	\$68.02	\$68.02
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0047-48	\$50.18	\$50.18	\$50.18	\$50.18	\$50.18	\$50.18
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0047-27	\$46.95	\$46.95	\$46.95	\$46.95	\$46.95	\$46.95
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0047-47	\$53.24	\$53.24	\$53.24	\$53.24	\$53.24	\$53.24
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0050-47	\$41.48	\$41.48	\$41.48	\$41.48	\$41.48	\$41.48
BAXTER	SOD CHLORIDE INJ 0.5%	Sodium Chloride	00338-0047-20	\$478.32	\$478.32	\$478.32	\$478.32	\$478.32	\$478.32
BAXTER	TRAVASOL	Sodium Chloride (GU Irrigant)	00338-0048-03	\$503.93	\$503.93	\$503.93	\$503.93	\$503.93	\$503.93

BAXTER	TRAVASOL	0033-0644-04	\$93.37	\$93.37	\$93.37	\$93.37
BAXTER	TRAVASOL	0033-0851-48	\$143.07	\$143.07	\$143.07	\$143.07
BAXTER	TRAVASOL	0033-0785-48	\$253.68	\$253.68	\$253.68	\$253.68
BAXTER	TRAVASOL	0033-0789-48	\$323.42	\$323.42	\$323.42	\$323.42
BAXTER	TRAVASOL	0033-0497-03	\$381.46	\$381.46	\$381.46	\$381.46
BAXTER	TRAVASOL	0033-0499-03	\$921.26	\$921.26	\$921.26	\$921.26
BAXTER	TRAVASOL	0033-0627-03	\$401.60	\$401.60	\$401.60	\$401.60
BAXTER	TRAVASOL	0033-0497-04	\$581.52	\$581.52	\$581.52	\$581.52
BAXTER	TRAVASOL	0033-0499-04	\$928.83	\$928.83	\$928.83	\$928.83
BAXTER	TRAVASOL	0033-0627-04	\$335.30	\$335.30	\$335.30	\$335.30
BAXTER	TRAVASOL	0033-0497-06	\$711.54	\$711.54	\$711.54	\$711.54
BAXTER	TRAVASOL	0033-0499-06	\$936.06	\$936.06	\$936.06	\$936.06
BAXTER	TRAVASOL	0033-0629-02	\$347.88	\$347.88	\$347.88	\$347.88
BAXTER	TRAVASOL	0033-0629-03	\$1,001.23	\$1,001.23	\$1,001.23	\$1,001.23
BAXTER	TRAVASOL	0033-0629-04	\$1,000.80	\$1,000.80	\$1,000.80	\$1,000.80
BAXTER	TRAVASOL	0033-0629-06	\$2,001.87	\$2,001.87	\$2,001.87	\$2,001.87
BAXTER	TRAVASOL	0033-0644-06	\$2,001.87	\$2,001.87	\$2,001.87	\$2,001.87
BAXTER	TRAVASOL	0033-0623-03	\$549.23	\$549.23	\$549.23	\$549.23
BAXTER	TRAVASOL	0033-0623-04	\$549.24	\$549.24	\$549.24	\$549.24
BAXTER	TRAVASOL	0033-0623-06	\$972.06	\$972.06	\$972.06	\$972.06
BAXTER	TRAVASOL	0033-0789-48	\$323.96	\$323.96	\$323.96	\$323.96
BAXTER	TRAVASOL	0033-0625-03	\$877.10	\$877.10	\$877.10	\$877.10
BAXTER	TRAVASOL	0033-0625-04	\$877.10	\$877.10	\$877.10	\$877.10
BAXTER	TRAVASOL	0033-0625-06	\$1,278.78	\$1,278.78	\$1,278.78	\$1,278.78
BAXTER	TRAVASOL	0033-0787-48	\$302.81	\$302.81	\$302.81	\$302.81
BAXTER	TRAVASOL	0033-0653-88	\$134.07	\$134.07	\$134.07	\$134.07
BAXTER	TRAVASOL WIDEXTROSE	0033-0821-04	\$344.18	\$344.18	\$344.18	\$344.18
BAXTER	TRAVASOL WIDEXTROSE	0033-0823-04	\$357.77	\$357.77	\$357.77	\$357.77
BAXTER	TRAVASOL WIDEXTROSE	0033-0829-04	\$368.93	\$368.93	\$368.93	\$368.93
BAXTER	TRAVASOL WIDEXTROSE	0033-0831-04	\$402.28	\$402.28	\$402.28	\$402.28
BAXTER	TRAVASOL WIDEXTROSE	0033-0833-04	\$416.84	\$416.84	\$416.84	\$416.84
BAXTER	TRAVASOL WIDEXTROSE	0033-0835-04	\$445.03	\$445.03	\$445.03	\$445.03
BAXTER	VANOCIN HCl INJ	0033-0859-48	\$218.00	\$218.00	\$218.00	\$218.00
BAXTER	VANOCIN HCl In Dextrose	0033-3551-48	\$17.53	\$17.53	\$10.31	\$10.31
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6553-36	\$78.91	\$83.10	\$90.28	\$83.46
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6553-36	\$68.28	\$70.89	\$75.62	\$79.82
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6572-51	\$303.72	\$341.28	\$354.82	\$385.62
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6572-48	\$314.82	\$353.50	\$367.84	\$398.44
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6573-51	\$174.43	\$412.78	\$429.29	\$468.42
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6573-48	\$308.36	\$368.47	\$415.45	\$451.39
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6574-50	\$372.43	\$412.78	\$429.29	\$468.42
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6571-06	\$181.16	\$190.70	\$207.73	\$225.71
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl	0026-6571-06	\$114.40	\$115.28	\$115.87	\$117.24
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6568-45	\$486.38	\$468.38	\$468.58	\$468.38
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6568-20	\$144.06	\$144.06	\$144.06	\$144.06
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6562-36	\$288.12	\$288.12	\$288.00	\$288.12
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6562-36	\$374.55	\$374.55	\$374.40	\$374.40
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6562-36	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6562-36	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN	0026-6562-36	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-51	\$288.12	\$288.12	\$288.00	\$288.12
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$374.55	\$374.55	\$374.40	\$374.40
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine	0026-6569-50	\$720.29	\$720.29	\$720.00	\$720.29
BAYER PHARMACEUTICAL	CIPROFLOXACIN HCl-Ciprofloxacin Betaine					

[illegible]

[illegible]

2586 FUJISAWA HEALTHCARE	CYCLOCORT ON 0.1%	Amchloride	00482-7115-30	z	\$24.50	\$25.73	\$27.00	\$29.21	\$30.68	\$30.88
2587 FUJISAWA HEALTHCARE	CYCLOCORT ON 0.1%	Amchloride	00482-7115-15	z	\$18.45	\$17.26	\$18.13	\$19.80	\$20.58	\$20.58
2588 FUJISAWA HEALTHCARE	LYMPHOSIN	VANCOMYCIN HYDROCHLORIDE	00568-2210-30 (1988) 83332-0221-10 (2001)				NA	\$10.97	\$10.97	
2589 FUJISAWA HEALTHCARE	LYMPHOSIN	PENTAMIDONE METHANOLATE	00568-0113-10 (1988) 83332-0113-10 (1989 & 2001)					\$88.75	\$88.75	\$205.53
2590 FUJISAWA HEALTHCARE	PROGRAF CAP 0.5MG	Tacrolimus	00489-0007-73	z						\$331.58
2591 FUJISAWA HEALTHCARE	PROGRAF CAP 1MG	Tacrolimus	00489-0017-11	z	\$230.40	\$281.85	\$286.48	\$294.86	\$312.58	\$312.58
2592 FUJISAWA HEALTHCARE	PROGRAF CAP 1MG	Tacrolimus	00489-0017-10	z						\$338.19
2593 FUJISAWA HEALTHCARE	PROGRAF CAP 1MG	Tacrolimus	00489-0017-11	z	\$1,197.00	\$1,209.25	\$1,402.20	\$1,473.15	\$1,562.71	\$1,697.73
2594 FUJISAWA HEALTHCARE	PROGRAF CAP 5MG	Tacrolimus	00489-0007-73	z	\$1,335.44	\$1,430.25	\$1,502.81	\$1,593.99	\$1,674.81	\$1,762.81
2595 FUJISAWA HEALTHCARE	PROGRAF INJ 5MG/ML	Tacrolimus	00489-0018-01	z	\$2,220.00	\$1,158.25	\$1,156.25	\$1,181.00	\$1,191.00	\$1,250.50
2596 FUJISAWA HEALTHCARE	VINBLASTINE SULFATE		00489-2785-10 (1998) 83332-0278-10 (1998 & 2001)			\$43.23	\$43.23		\$43.23	\$565.10
2597 FUJISAWA HEALTHCARE		ACYCLOVIR SODIUM								\$1.04
2598 FUJISAWA HEALTHCARE		DEXAMETHASONE SODIUM PHOSPHATE				\$45.50	\$45.50		\$2.87	\$2.87
2599 FUJISAWA HEALTHCARE		DOXORUBICIN HYDROCHLORIDE						\$437.50	\$12.84	\$12.84
2600 FUJISAWA HEALTHCARE		FLUOROURACIL							\$87.50	\$87.50
2601 FUJISAWA HEALTHCARE		GENTAMICIN SULFATE				\$385.38	\$87.50		\$12.84	\$12.84
2602 FUJISAWA HEALTHCARE		AMIKACIN SULFATE 50 mg/mL 2 IN 10s				\$38.50	\$12.25		\$87.50	\$87.50
2603 FUJISAWA HEALTHCARE		AMPHOTERICIN B 50 mg, 5mL				\$41.97	\$48.23			
2604 FUJISAWA HEALTHCARE	ETOPOSIDE	ETOPOSIDE 20 mg/mL 5mL				\$42.83	\$38.83			
2605 FUJISAWA HEALTHCARE	LEUCOVORIN CALCIUM	Leucovorin Calcium	85406-0823-07		\$137.64	\$137.64	\$137.64	\$137.64	\$137.64	\$137.64
2606 FUJISAWA HEALTHCARE	LEUCOVORIN CA TAB 15MG	Leucovorin Calcium	85406-0826-74		\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
2607 FUJISAWA HEALTHCARE	LEUCOVORIN CA TAB 5MG	Leucovorin Calcium	85406-0824-47		\$285.00	\$285.00	\$285.00	\$285.00	\$285.00	\$285.00
2608 FUJISAWA HEALTHCARE	LEUKINE	SAGRAMOSTIN	85406-0050-14		\$21,280.33	\$1,348.55	\$289.71		\$288.59	\$1,442.85
2609 FUJISAWA HEALTHCARE	LEUKINE	SAGRAMOSTIN	85406-0062-01		\$126.04	\$134.85		\$144.30		\$144.30
2610 FUJISAWA HEALTHCARE	LEUKINE	SAGRAMOSTIN	85406-0062-33		\$830.10	\$874.28		\$72.48		\$72.48
2611 FUJISAWA HEALTHCARE	LEUKINE	SAGRAMOSTIN	03406-0001-01		\$252.00	\$252.00				
2612 FUJISAWA HEALTHCARE	LEUKINE	SAGRAMOSTIN	85406-0001-05		\$1,200.33	\$1,280.33				
2613 FUJISAWA HEALTHCARE	METHOTREXATE INJ 25MG	Methotrexate Sodium	85406-0073-01		\$5.03	\$5.03	\$5.03		\$5.03	\$5.03
2614 FUJISAWA HEALTHCARE	NOVARTONE	MITOXANE HYDROCHLORIDE	85406-0640-03		\$176.04	\$412.74		\$1,078.25		\$1,078.25
2615 FUJISAWA HEALTHCARE	NOVARTONE	MITOXANE HYDROCHLORIDE	85406-0640-05		\$945.03	\$1,015.00		\$1,265.28		\$1,265.28
2616 FUJISAWA HEALTHCARE	THIOPEX	LYOPHILIZED THIOPEX	85406-0602-07		\$1,134.05	\$1,218.10		\$1,542.38		\$1,542.38
2617 FUJISAWA HEALTHCARE	THIOPEX	LYOPHILIZED THIOPEX	85406-0601-02					\$123.13		\$123.13
2618 FUJISAWA HEALTHCARE	THIOPEX	LYOPHILIZED THIOPEX	85406-0602-38		\$80.24	\$105.58		\$738.75		\$738.75
2619 FUJISAWA HEALTHCARE	ACIPHEX INJ 100MG	Inhalant	87894-0030-01		\$813.40	\$833.44		\$865.65		\$865.65
2620 FUJISAWA HEALTHCARE	ACIPHEX TAB 20MG	Rabeprazole Sodium	62856-0243-41	x	\$380.60	\$380.60	\$376.94	\$382.00	\$382.00	\$427.53
2621 FUJISAWA HEALTHCARE	ACIPHEX TAB 20MG	Rabeprazole Sodium	62856-0243-90	x	\$341.09	\$341.09	\$341.09	\$352.60	\$352.60	\$384.78
2622 FUJISAWA HEALTHCARE	ACIPHEX TAB 20MG	Rabeprazole Sodium	62856-0243-90	x			\$110.88	\$110.88	\$110.88	\$122.50
2623 FUJISAWA HEALTHCARE	ACIPHEX TAB 20MG	Rabeprazole Sodium	62856-0243-90	x			\$93.78	\$93.78	\$103.20	\$117.54
2624 FUJISAWA HEALTHCARE	RISPERDAL SOL 1MG/ML	Risperidone	50458-0305-03	x	\$85.00					
2625 FUJISAWA HEALTHCARE	RISPERDAL TAB 0.25MG	Risperidone	50458-0301-50	x	\$1,208.64	\$1,328.70	\$1,328.70	\$1,328.70	\$1,328.70	\$1,540.31
2626 FUJISAWA HEALTHCARE	RISPERDAL TAB 0.25MG	Risperidone	50458-0301-50	x	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$184.85
2627 FUJISAWA HEALTHCARE	RISPERDAL TAB 0.5MG	Risperidone	50458-0302-50	x	\$1,208.64	\$1,328.70	\$1,328.70	\$1,328.70	\$1,328.70	\$1,540.31
2628 FUJISAWA HEALTHCARE	RISPERDAL TAB 0.5MG	Risperidone	50458-0302-50	x	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$184.85
2629 FUJISAWA HEALTHCARE	RISPERDAL TAB 1MG	Risperidone	50458-0303-06	x	\$129.06	\$129.33	\$129.33	\$129.33	\$129.33	\$159.48
2630 FUJISAWA HEALTHCARE	RISPERDAL TAB 1MG	Risperidone	50458-0303-06	x	\$1,074.56	\$1,081.02	\$1,081.02	\$1,081.02	\$1,081.02	\$1,281.18
2631 FUJISAWA HEALTHCARE	RISPERDAL TAB 1MG	Risperidone	50458-0303-06	x	\$1,788.08	\$1,032.62	\$1,032.62	\$1,032.62	\$1,032.62	\$1,281.18
2632 FUJISAWA HEALTHCARE	RISPERDAL TAB 2MG	Risperidone	50458-0304-01	x	\$357.71	\$357.71	\$357.71	\$357.71	\$357.71	\$442.31
2633 FUJISAWA HEALTHCARE	RISPERDAL TAB 2MG	Risperidone	50458-0304-01	x	\$2,112.14	\$2,282.10	\$2,282.10	\$2,282.10	\$2,282.10	\$2,739.85
2634 FUJISAWA HEALTHCARE	RISPERDAL TAB 3MG	Risperidone	50458-0305-06	x	\$214.02	\$231.90	\$231.90	\$231.90	\$231.90	\$278.40
2635 FUJISAWA HEALTHCARE	RISPERDAL TAB 3MG	Risperidone	50458-0305-06	x	\$422.45	\$458.44	\$458.44	\$458.44	\$458.44	\$547.96
2636 FUJISAWA HEALTHCARE	RISPERDAL TAB 3MG	Risperidone	50458-0305-06	x	\$253.40	\$273.68	\$273.68	\$273.68	\$273.68	\$328.13
2637 FUJISAWA HEALTHCARE	RISPERDAL TAB 4MG	Risperidone	50458-0306-01	x	\$373.38	\$401.49	\$401.49	\$401.49	\$401.49	\$484.48
2638 FUJISAWA HEALTHCARE	RISPERDAL TAB 4MG	Risperidone	50458-0306-01	x	\$344.03	\$360.80	\$360.80	\$360.80	\$360.80	\$433.25
2639 FUJISAWA HEALTHCARE	SOPRANIX CAP 100MG	Itrovecaine	50458-0700-01	x	\$181.40	\$194.38	\$194.38	\$194.38	\$194.38	\$238.25
2640 FUJISAWA HEALTHCARE	SOPRANIX CAP 100MG	Itrovecaine	50458-0700-01	x	\$181.40	\$194.38	\$194.38	\$194.38	\$194.38	\$238.25
2641 FUJISAWA HEALTHCARE	SOPRANIX CAP 100MG	Itrovecaine	50458-0700-01	x	\$181.40	\$194.38	\$194.38	\$194.38	\$194.38	\$238.25
2642 FUJISAWA HEALTHCARE	ELMIRON CAP 100MG	Pantothic Polyphosphate Sodium	17314-0300-01	x	\$156.25	\$170.33	\$170.33	\$170.33	\$170.33	\$207.71
2643 FUJISAWA HEALTHCARE	LEVADOLIN TAB 250MG	Levodopa	00045-1520-50	x	\$314.70	\$328.68	\$328.68	\$328.68	\$328.68	\$395.33
2644 FUJISAWA HEALTHCARE	LEVADOLIN TAB 250MG	Levodopa	00045-1520-50	x	\$633.60	\$682.33	\$682.33	\$682.33	\$682.33	\$828.78
2645 FUJISAWA HEALTHCARE	LEVADOLIN TAB 500MG	Levodopa	00045-1525-50	x	\$387.07	\$394.11	\$394.11	\$394.11	\$394.11	\$482.87
2646 FUJISAWA HEALTHCARE	LEVADOLIN TAB 750MG	Levodopa	00045-1530-50	x	\$776.55	\$772.82	\$772.82	\$772.82	\$772.82	\$958.53
2647 FUJISAWA HEALTHCARE	LEVADOLIN TAB 750MG	Levodopa	00045-1530-50	x				\$20.20	\$41.01	\$41.01
2648 FUJISAWA HEALTHCARE	PANCREAZE CAP EC	Amylase-Lipase-Protease	00045-0085-50	x	\$37.15	\$38.45	\$41.94	\$42.00	\$42.00	\$53.40
2649 FUJISAWA HEALTHCARE	PANCREAZE CAP EC	Amylase-Lipase-Protease	00045-0085-50	x	\$88.48	\$91.56	\$96.88	\$104.78	\$108.02	\$127.20
2650 FUJISAWA HEALTHCARE	PANCREAZE MT CAP 10	Amylase-Lipase-Protease	00045-0342-50	x	\$73.14	\$75.70	\$82.58	\$86.83	\$88.83	\$103.16
2651 FUJISAWA HEALTHCARE	PANCREAZE MT CAP 10	Amylase-Lipase-Protease	00045-0342-50	x	\$117.43	\$121.55	\$132.60	\$139.09	\$145.91	\$168.85

INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRON-A	INTRO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WATSON	DIAZEPAM	TAB 2MG	0591-501-05	\$38.68	\$20.80	\$30.83	\$40.80	\$62.01	\$62.01
WATSON	DIAZEPAM	TAB 2MG	0264-071-02	\$39.59	\$39.59	\$78.45	\$78.45	\$105.01	\$105.01
WATSON	DIAZEPAM	TAB 2MG	0591-502-10	\$39.59	\$39.59	\$78.45	\$78.45	\$105.01	\$105.01
WATSON	DIAZEPAM	TAB 5MG	0394-071-501	\$12.46	\$12.46	\$12.46	\$12.46	\$22.01	\$22.01
WATSON	DIAZEPAM	TAB 5MG	0591-501B-01	\$8.85	\$8.85	\$8.85	\$8.85	\$22.01	\$22.01
WATSON	DIAZEPAM	TAB 5MG	0394-077B-05	\$37.80	\$37.80	\$57.80	\$57.80	\$96.06	\$96.06
WATSON	DIAZEPAM	TAB 5MG	0591-501B-05	\$37.80	\$37.80	\$57.80	\$57.80	\$96.06	\$96.06
WATSON	DIAZEPAM	TAB 5MG	0394-077B-10	\$113.50	\$113.50	\$113.50	\$113.50	\$167.74	\$167.74
WATSON	DIAZEPAM	TAB 5MG	0591-501B-10	\$113.50	\$113.50	\$113.50	\$113.50	\$167.74	\$167.74
WATSON	DIAZEPAM	DIAPHRAM 5 MGML, 10 ML, C-V							
WATSON	ESTRADIOL	TAB 0.5MG	0591-552B-01	\$24.38	\$24.38	\$25.50	\$25.50	\$	NA
WATSON	ESTRADIOL	TAB 0.5MG	52544-052B-01	\$24.38	\$24.38	\$25.50	\$25.50	\$25.50	\$25.50
WATSON	ESTRADIOL	TAB 1MG	0591-558B-01	\$32.50	\$32.50	\$34.50	\$34.50	\$34.50	\$34.50
WATSON	ESTRADIOL	TAB 1MG	52544-048B-01	\$32.50	\$32.50	\$34.50	\$34.50	\$34.50	\$34.50
WATSON	ESTRADIOL	TAB 1MG	0591-548B-05	\$154.41	\$154.41	\$170.00	\$170.00	\$170.00	\$170.00
WATSON	ESTRADIOL	TAB 1MG	52544-048B-05	\$154.41	\$154.41	\$170.00	\$170.00	\$170.00	\$170.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-05	\$47.48	\$47.48	\$48.50	\$48.50	\$48.50	\$48.50
WATSON	ESTRADIOL	TAB 2MG	52544-048B-05	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	0591-548B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG	52544-048B-10	\$225.41	\$225.41	\$235.00	\$235.00	\$235.00	\$235.00
WATSON	ESTRADIOL	TAB 2MG							

WATSON	RANITIDINE TAB 150MG	Ranitidine HCl	00591-0760-05	\$735.35	\$774.00	\$812.70	\$812.70	\$812.70
WATSON	RANITIDINE TAB 150MG	Ranitidine HCl	52544-0760-05	\$735.35	\$774.00	\$812.70	\$812.70	\$812.70
WATSON	RANITIDINE TAB 150MG	Ranitidine HCl	52544-0760-51		\$7,353.50	\$7,600.00	\$7,600.00	\$7,600.00
WATSON	RANITIDINE TAB 300MG	Ranitidine HCl	00591-0761-30	\$50.15	\$53.70	\$57.00	\$57.00	\$57.00
WATSON	RANITIDINE TAB 300MG	Ranitidine HCl	52544-0761-30	\$50.15	\$53.70	\$57.00	\$57.00	\$57.00
WATSON	RANITIDINE TAB 300MG	Ranitidine HCl	00591-0761-01	\$287.18	\$273.00	\$286.70	\$286.70	\$286.70
WATSON	RANITIDINE TAB 300MG	Ranitidine HCl	52544-0761-01	\$287.18	\$273.00	\$286.70	\$286.70	\$286.70
WATSON	RANITIDINE TAB 300MG	Ranitidine HCl	52544-0761-45	\$70.00	\$6,875.75	\$6,875.00	\$6,875.00	\$6,875.00
WATSON	VANCOMYCIN HCL 500MG, 105 EA	VANCOMYCIN HCL		\$27.60	NA	\$	NA	NA
WATSON	VERAPAMIL HCL 80 ML, 105 EA	VERAPAMIL HCL			NA	\$	NA	NA

APPENDIX B

Name	NDC	Effective Date	Package AWP	1/31/2003	3/7/2003	10/24/2002	2/17/2004	10/1/2004	5/20/2005
Amevive	59627-0021-03	Effective Date	Package AWP	\$3,820.80	\$3,980.00				
Amevive	59627-0021-04	Effective Date	Package AWP	\$955.20	\$995.00				
Avonex	59627-0001-03	Effective Date	Package AWP	\$852.00	\$890.40	\$948.30	\$985.25	\$1,076.25	\$1,277.50
Avonex	59627-0002-05	Effective Date	Package AWP	\$1,182.81	\$1,277.50	\$1,299.60	\$1,403.70		
Zevalin IN-111	64406-0104-04	Effective Date	Package AWP	\$2,915.40					
Zevalin Y-90	64406-0103-03	Effective Date	Package AWP	\$25,238.85					

APPENDIX C

APPENDIX C

Vioxx AWP's

NDC	PS	Description	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2
00006007428	100	VIOXX 12.5MG TABLET																		
00006007431	30	VIOXX 12.5MG TABLET																		
00006007468	100	VIOXX 12.5MG TABLET																		
00006007480	8000	VIOXX 12.5MG TABLET																		
00006007482	1000	VIOXX 12.5MG TABLET																		
00006011028	100	VIOXX 25MG TABLET																		
00006011031	30	VIOXX 25MG TABLET																		
00006011068	100	VIOXX 25MG TABLET																		
00006011080	8000	VIOXX 25MG TABLET																		
00006011082	1000	VIOXX 25MG TABLET																		
00006011428	100	VIOXX 50 MG TABLET																		
00006011431	30	VIOXX 50 MG TABLET																		
00006011468	100	VIOXX 50 MG TABLET																		
00006011474	500	VIOXX 50 MG TABLET																		
00006011481	4000	VIOXX 50 MG TABLET																		
000060378464	150	VIOXX 12.5MG/5ML ORAL SUSP																		
000060378564	150	VIOXX 25MG/5ML ORAL SUSP																		

Zocor AWP's

NDC	PS	Description	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2
00006054328	100	ZOCOR 80 MG TABLET																		
00006054331	30	ZOCOR 80 MG TABLET																		
00006054354	90	ZOCOR 80 MG TABLET																		
00006054361	60	ZOCOR 80MG TABLET																		
00006054382	1000	ZOCOR 80 MG TABLET																		
00006072628	100	ZOCOR 5MG TABLET																		
00006072931	30	ZOCOR 5MG TABLET																		
00006072654	90	ZOCOR 5MG TABLET																		
00006072561	60	ZOCOR 5MG TABLET																		
00006072682	1000	ZOCOR 5 MG TABLET																		
00006073528	100	ZOCOR 10MG TABLET																		
00006073531	30	ZOCOR 10 MG TABLET																		
00006073554	90	ZOCOR 10MG TABLET																		
00006073581	60	ZOCOR 10MG TABLET																		
00006073592	1000	ZOCOR 10MG TABLET																		
00006073587	10000	ZOCOR 10MG TABLET																		
00006074028	100	ZOCOR 20MG TABLET																		
00006074031	30	ZOCOR 20MG TABLET																		
00006074054	90	ZOCOR 20 MG TABLET																		
00006074061	60	ZOCOR 20MG TABLET																		
00006074082	1000	ZOCOR 20MG TABLET																		
00006074087	10000	ZOCOR 20MG TABLET																		
00006074928	100	ZOCOR 40 MG TABLET																		
00006074931	30	ZOCOR 40 MG TABLET																		
00006074954	90	ZOCOR 40 MG TABLET																		
00006074961	60	ZOCOR 40MG TABLET																		
00006074982	1000	ZOCOR 40 MG TABLET																		

Source: First Data Bank Data, 1991-2004

3/5/05

Privileged and Confidential Information

Page 1 of 3

Vioxx AWP's

NDC	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2
00006007428																				
00006007431																				
00006007468																				
00006007480																				
00006007482																				
00006011028																				
00006011031																				
00006011068																				
00006011080																				
00006011082																				
00006011428																				
00006011431																				
00006011468																				
00006011474																				
00006011481																				
000060378484																				
000060378564																				

Zocor AWP's

NDC	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2
00006054328																				
00006054331																				
00006054354																				
00006054351																				
00006054362																				
00006072628																				
00006072631																				
00006072654																				
00006072651																				
00006072682																				
00006073528																				
00006073531																				
00006073554																				
00006073561																				
00006073582																				
00006073587																				
00006074028																				
00006074031																				
00006074054																				
00006074061																				
00006074082																				
00006074087																				
00006074328																				
00006074931																				
00006074954																				
00006074981																				
00006074982																				

Source: First Data

8/5/05

Privileged and Confidential Information

Page 2 of 3

Vloxx AWP's

NDC	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3
0000607428	252.50	262.34	262.34	262.34	275.19	275.19	275.19	275.19	287.56	287.56	287.56	301.36	301.36	301.36	301.36	315.83	315.83
0000607431	75.75	78.70	78.70	78.70	82.55	82.55	82.55	82.55	86.28	86.28	86.28	90.41	90.41	90.41	90.41	94.75	94.75
0000607456	252.50	262.34	262.34	262.34	275.19	275.19	275.19	275.19	287.56	287.56	287.56	301.36	301.36	301.36	301.36	315.83	315.83
0000607480	20,200.00	20,986.96	20,986.96	20,986.96	22,014.96	22,014.96	22,014.96	22,014.96	23,004.96	23,004.96	23,004.96	24,108.96	24,108.96	24,108.96	24,108.96	25,266.00	25,266.00
0000607482	2,525.00	2,623.37	2,623.37	2,623.37	2,751.87	2,751.87	2,751.87	2,751.87	2,875.63	2,875.63	2,875.63	3,013.63	3,013.63	3,013.63	3,013.63	3,158.25	3,158.25
0000601028	262.50	262.34	262.34	262.34	275.19	275.19	275.19	275.19	287.56	287.56	287.56	301.36	301.36	301.36	301.36	315.83	315.83
00006011031	75.75	78.70	78.70	78.70	82.55	82.55	82.55	82.55	86.28	86.28	86.28	90.41	90.41	90.41	90.41	94.75	94.75
00006011068	20,200.00	20,986.96	20,986.96	20,986.96	22,014.96	22,014.96	22,014.96	22,014.96	23,004.96	23,004.96	23,004.96	24,108.96	24,108.96	24,108.96	24,108.96	25,266.00	25,266.00
00006011080	2,525.00	2,623.37	2,623.37	2,623.37	2,751.87	2,751.87	2,751.87	2,751.87	2,875.63	2,875.63	2,875.63	3,013.63	3,013.63	3,013.63	3,013.63	3,158.25	3,158.25
00006011428	368.75	393.12	393.12	393.12	401.89	401.89	401.89	401.89	418.56	418.56	418.56	440.11	440.11	440.11	440.11	461.24	461.24
00006011431	110.63	114.94	114.94	114.94	120.56	120.56	120.56	120.56	126.00	126.00	126.00	132.04	132.04	132.04	132.04	138.38	138.38
00006011468	368.75	393.12	393.12	393.12	401.89	401.89	401.89	401.89	418.56	418.56	418.56	440.11	440.11	440.11	440.11	461.24	461.24
00006011474	1,843.76	1,915.62	1,915.62	1,915.62	2,009.43	2,009.43	2,009.43	2,009.43	2,099.81	2,099.81	2,099.81	2,200.58	2,200.58	2,200.58	2,200.58	2,306.19	2,306.19
00006011481	14,750.00	15,325.00	15,325.00	15,325.00	16,075.48	16,075.48	16,075.48	16,075.48	16,798.48	16,798.48	16,798.48	17,604.48	17,604.48	17,604.48	17,604.48	18,449.48	18,449.48
00006378464	112.50	118.89	116.89	116.89	122.61	122.61	122.61	122.61	128.13	128.13	128.13	134.28	134.28	134.28	134.28	140.71	140.71
00006378564	112.50	118.89	116.89	116.89	122.61	122.61	122.61	122.61	128.13	128.13	128.13	134.28	134.28	134.28	134.28	140.71	140.71

Zocor AWP's

NDC	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3
00006054328					416.32	416.32	440.89	440.89	440.89	458.51	458.51	468.51	468.51	478.68	478.68	478.68	478.68
00006054331					124.80	124.80	132.26	132.26	132.26	137.56	137.56	137.56	137.56	143.61	143.61	143.61	143.61
00006054354					374.70	374.70	396.80	396.80	396.80	412.86	412.86	412.86	412.86	430.83	430.83	430.83	430.83
00006054361	238.59	249.80	249.80	249.80	249.80	249.80	249.80	249.80	249.80	275.11	275.11	275.11	275.11	287.21	287.21	287.21	287.21
00006054382					4,163.32	4,163.32	4,408.88	4,408.88	4,408.88	4,585.14	4,585.14	4,585.14	4,585.14	4,788.88	4,788.88	4,788.88	4,788.88
00006072626	178.08	178.08	178.08	178.08	178.08	178.08	188.55	188.55	188.55	198.09	198.09	198.09	198.09	204.73	204.73	204.73	204.73
00006072631					53.42	53.42	56.56	56.56	56.56	58.84	58.84	58.84	58.84	61.43	61.43	61.43	61.43
00006072654	160.26	160.26	160.26	160.26	160.26	160.26	169.70	169.70	169.70	176.49	176.49	176.49	176.49	184.25	184.25	184.25	184.25
00006072661	106.84	106.84	106.84	106.84	106.84	106.84	106.84	106.84	106.84	117.66	117.66	117.66	117.66	122.84	122.84	122.84	122.84
00006072682					1,780.62	1,780.62	1,885.55	1,885.55	1,885.55	1,960.96	1,960.96	1,960.96	1,960.96	2,047.24	2,047.24	2,047.24	2,047.24
00006075528	227.94	238.65	238.65	238.65	238.65	238.65	252.71	252.71	252.71	262.81	262.81	262.81	262.81	274.38	274.38	274.38	274.38
00006075531					71.60	71.60	75.81	75.81	75.81	78.85	78.85	78.85	78.85	82.31	82.31	82.31	82.31
00006075554	205.15	214.79	214.79	214.79	214.79	214.79	227.46	227.46	227.46	236.54	236.54	236.54	236.54	246.94	246.94	246.94	246.94
00006075582	136.77	143.20	143.20	143.20	143.20	143.20	151.64	151.64	151.64	157.70	157.70	157.70	157.70	164.63	164.63	164.63	164.63
00006075587	2,279.45	2,386.52	2,386.52	2,386.52	2,386.52	2,386.52	2,527.21	2,527.21	2,527.21	2,628.19	2,628.19	2,628.19	2,628.19	2,743.75	2,743.75	2,743.75	2,743.75
00006075587	21,814.50	23,865.20	23,865.20	23,865.20	23,865.20	23,865.20	25,272.10	25,272.10	25,272.10	26,281.90	26,281.90	26,281.90	26,281.90	27,437.50	27,437.50	27,437.50	27,437.50
00006074028	397.84	416.32	416.32	416.32	416.32	416.32	440.89	440.89	440.89	458.51	458.51	458.51	458.51	478.68	478.68	478.68	478.68
00006074031					124.80	124.80	132.26	132.26	132.26	137.56	137.56	137.56	137.56	143.61	143.61	143.61	143.61
00006074054					374.70	374.70	396.80	396.80	396.80	412.86	412.86	412.86	412.86	430.83	430.83	430.83	430.83
00006074061	238.69	249.80	249.80	249.80	249.80	249.80	249.80	249.80	249.80	275.11	275.11	275.11	275.11	287.21	287.21	287.21	287.21
00006074082	3,876.45	4,163.32	4,163.32	4,163.32	4,163.32	4,163.32	4,408.88	4,408.88	4,408.88	4,585.14	4,585.14	4,585.14	4,585.14	4,788.88	4,788.88	4,788.88	4,788.88
00006074087	38,054.10	41,833.20	41,833.20	41,833.20	41,833.20	41,833.20	44,088.80	44,088.80	44,088.80	45,851.30	45,851.30	45,851.30	45,851.30	47,868.80	47,868.80	47,868.80	47,868.80
00006074928					416.32	416.32	440.89	440.89	440.89	458.51	458.51	458.51	458.51	478.68	478.68	478.68	478.68
00006074931					124.80	124.80	132.26	132.26	132.26	137.56	137.56	137.56	137.56	143.61	143.61	143.61	143.61
00006074954					374.70	374.70	396.80	396.80	396.80	412.86	412.86	412.86	412.86	430.83	430.83	430.83	430.83
00006074961	238.59	249.80	249.80	249.80	249.80	249.80	249.80	249.80	249.80	275.11	275.11	275.11	275.11	287.21	287.21	287.21	287.21
00006074982					4,163.32	4,163.32	4,408.88	4,408.88	4,408.88	4,585.14	4,585.14	4,585.14	4,585.14	4,788.88	4,788.88	4,788.88	4,788.88

Source: First Data